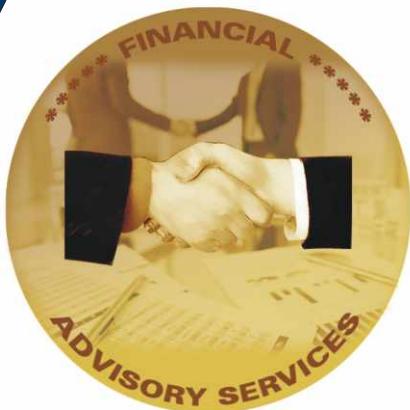


Trust & Transparency



ASHIKA CREDIT CAPITAL LIMITED

Annual Report 2015-16

FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions.

The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pawan Jain
(Chairman cum Managing Director & CEO)
 Mr. Daulat Jain
(Non-Executive Director) - w.e.f. 14.01.2016
 Mr. Kashi Prasad Khandelwal
(Independent Director)
 Mr. Sagar Jain
(Independent Director)
 Mr. R.S. Agarwal
(Independent Director)
 Mr. Sanjay Kumar Singh
(Independent Director) - w.e.f. 14.01.2016
 Mr. K.K. Saraf
(Non –Executive Director)
 Ms Anju Mundhra
(Executive Director – Legal)

CIN NO.

L67120WB1994PLC062159

CHIEF FINANCIAL OFFICER

Mr. Amit Jain

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Anju Mundhra

PRINCIPAL BANKERS

HDFC Bank Ltd.

REGISTERED OFFICE

'Trinity' 226/1 A. J. C. Bose Road,
 7th Floor, Kolkata – 700 020
 Tel : (033) 40102500/22839952, Fax : (033) 22891555
 Email : secretarial@ashikagroup.com

BRANCH OFFICE :

7, B.B.Ganguly Street, 4th Floor, Kolkata – 700012
 Email : secretarial@ashikagroup.com

Website : www.ashikagroup.com

STATUTORY AUDITORS

P.K. Sah & Associates
 Chartered Accountants
 58 D, Netaji Subhash Road,
 3rd Floor, Room No.316, Kolkata – 700 001

INTERNAL AUDITOR

Shyamsukha Amit & Associates
 Chartered Accountants
 19, Ganesh Chandra Avenue,
 Premier House, 2nd Floor, Suit no 7
 Kolkata – 700013

SECRETARIAL AUDITOR

MR & Associates
 Company Secretaries
 46, B. B. Ganguly Street, Kolkata- 700012

REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
 6, Mangoe Lane, 2nd Floor, Kolkata 700 001
 Tel. 033-2248 2248, 2243 5809/5029,
 Fax: 033-2248 4787, E-mail: mdpldc@yahoo.com

AUDIT COMMITTEE

Mr. Sagar Jain, Chairman
 Mr Kashi Prasad Khandelwal
 Mr. R.S Agarwal
 Mr. K.K. Saraf

NOMINATION & REMUNERATION COMMITTEE

Mr. Kashi Prasad Khandelwal, Chairman
 Mr K.K. Saraf
 Mr Sagar Jain
 Mr. R.S Agarwal

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. R.S Agarwal, Chairman
 Mr K.K.Saraf
 Mr. Kashi Prasad Khandelwal

Chairman's Statement



*D*ear Shareholders,

The FY 2015-16 once again saw a decline in global growth following fall in global commodity prices, declining trade flows, increased volatility in exchange rates and capital flow. Slackening demand from China amid lower growth prospects as the country transitions from an export led one to consumption driven has pressured on prices of key commodities. Large emerging economies, notably the Russia and Brazil exhibited muted economic performances being commodity exporters. Majority of developing and emerging economies lowed to its weakest pace since the global financial crisis of 2008-2009 while modest recovery continued in advanced economies.

However, Indian economy grew at a five-year high growth rate of 7.6% in FY 2015-16 on improved performance in manufacturing and farm sectors. According to the Central Statistics Office (CSO), the GDP growth is estimated at 7.3% in October-December quarter of this fiscal. The GDP growth estimates for April-June and July-September quarters have been revised upwards to 7.6% and 7.7% from earlier calculation of 7% and 7.4% respectively. The real Gross Value Addition (GVA) is projected at 7.3% in this fiscal against 7.1% in 2014-15.

For the NBFC sector it was another difficult year adhering to tight provisioning norms from RBI, however, demand was seen improving particularly in the latter part of FY 2015-16. NBFCs have steadily grown in number and have enhanced their market share, giving a strong competition to banks and financial institutions. As of September 30, 2015, there were 11,781 Non-Banking Financial Companies (NBFCs)

registered with the Reserve Bank, of which 212 deposit accepting and 11,569 were non-deposit accepting. According to CRISIL, NBFCs help fill the gaps in availability of financial services with respect to products as well as customer and geographical segments.

ACCL faced a challenging year. There was nearly 31 % decline in our topline in comparison to 2014-15 and owing to our prudent provisioning of non-performing assets to the tune of Rs. 6.12 crores, and a provision for diminution in value of investment amounting to Rs 2.94 crores (approx) there was impact on the profitability. ACCL reported a loss of Rs. 8.11 crores (Profit Before Tax) during the year against a profit before tax of Rs. 1.08 crore interest before tax in 2014-15. If the exceptional item of provisioning in the current year is removed, ACCL reported PBT would be 0.95 crore. In this Financial Year also ACCL did not borrow external funds owing to high interest rate and the operations were funded out of our internal accruals. The average lending rate remained at in range of 16% to 21% ensuring that net interest margins remained significantly high.

Looking ahead, in FY 2016-17 we will capitalize on the improving demand and look to improve the performance of the Company. The Company has all the capabilities and strengths to navigate through the challenges presented by global and Indian economy. The Company will continue to be a responsible corporate citizen wherever it operates, and is committed to delivering long-term value creation for all its stakeholders.

The Board joins me in expressing our deep appreciation to all the shareholders, employees, the management team and all our partners for their support, co-operation and understanding. The Management is conscious of your increasing expectations and is gearing to fulfill the same. We remain committed to creating long term value for our stakeholders.

Regards

PAWAN JAIN

Chairman & Managing Director, CEO

Management Discussion And Analysis Report

MANAGEMENT DISCUSSION AND ANALYSIS

ACCL is registered NBFC – ND with RBI and operates in a single segment as lending and investing in securities. The Company is actively engaged in the fund-based activities, providing loans and advances, Inter corporate deposits, investment in shares & securities etc. ACCL's services today are readily available to individuals, corporate, financial institutions throughout India.

It is a professionally managed company, which focused its vision on financial services & follows strict code of conduct of business by practicing fair business values with Stakeholders and society at large. It had been complying with all relevant enactments & statutes of the land in letter & in spirit. There is a Strict adherence to Ethics and a Responsibility towards all those who come within its corporate ambit.

GLOBAL ECONOMY – OVERVIEW

According to the World Bank's January 2016 Global Economic Prospects, global growth is projected to reach 2.9 percent in 2016, as modest recovery in advanced economies continues and activity stabilizes among major commodity exporters. Global growth once again stumbled upon in 2015 following decline in global commodity prices, declining trade flows, increased volatility in exchange rates and capital flow. The decline of Chinese economy had a major impact and it pressured on prices of key commodities. Majority of developing and emerging economies lowered to its weakest pace since the global financial crisis of 2008-2009 amid lower commodity prices, large capital outflows, weak trade and increased financial market volatility while modest recovery continued in advanced economies. The global growth prospects thus hinged towards the developed economies.

With remarkable stability in the unemployment situation in US, monetary policy tightening cycle in the United States is expected to proceed without undue turbulence and global growth will see a modest upturn. According to U.N, global inflation is at its lowest level since 2009 amid persistent output gaps, declining commodity prices and weak aggregate demand. In developed-market economies, annual inflation in 2015 is expected to average just 0.3%. Ultra-loose monetary conditions have so far prevented deflation from becoming entrenched in the developed countries.

As per World Bank's Global Economic Prospects (Jan 2016), global growth fell short of expectations in 2015 with a growth of 2.4%. Growth in US, Euro, Japan improved from 2014 at 2.5%, 1.5%, 0.8% respectively while the same slowed for U.K at 2.4% while Russia slipped into recession with de-growth of

3.8 %. In developing nations, China, Indonesia, South Africa slowed to 6.9%, 4.7% and 1.3% respectively while Brazil slipped into negative territory with a de-growth of -3.7%. India remained resilient with a stable estimated growth of 7.3% in 2015.

A more protracted slowdown across large emerging markets could have substantial spillovers to other developing economies, and eventually hold back the recovery in advanced economies. A broad-based slowdown across developing countries could pose a threat to hard-won gains in raising people out of poverty, the report warns.

INDIAN ECONOMY – OVERVIEW

Indian economy is expected to record a five-year high growth rate of 7.6 % in 2015-16 on improved performance in manufacturing and farm sectors. The previous high was recorded at 8.9% in 2010-11. According to the Central Statistics Office (CSO), the GDP growth is estimated at 7.3% in October-December quarter of this fiscal. The GDP growth estimates for April-June and July-September quarters have been revised upwards to 7.6% and 7.7% from earlier calculation of 7% and 7.4% respectively. The real Gross Value Addition (GVA) is projected at 7.3% in this fiscal against 7.1% in 2014-15. The manufacturing sector is estimated to grow at 9.5% in 2015-16, up from 5.5% a year ago. Similarly, in case of agriculture sector, the growth has been projected at 1.1% as against decline of 0.2% a year ago. The growth of mining and quarrying sector, electricity and power supply and other services is likely to witness deceleration during the current financial year. Preliminary estimates from the finance ministry suggest that the government has successfully kept the fiscal deficit under the target levels of 3.9% for FY16. In fact, there are chances of betterment in the figures to 3.8% of GDP for the final figures. The fiscal deficit target has been managed on higher than targeted indirect tax collections for FY16 which compensated for sizeable shortfall in revised estimates of direct taxes and sharp rise in government's planned expenditure of over 4.70 lakh crore. According to senior finance ministry officials, total indirect tax collection has surpassed the revised estimate target of Rs 7.04 lakh crore for 2015-16.

NBFC IN INDIA

The NBFC sector in general had to experience another difficult year while adhering to tight provisioning norms from RBI however demand was seen improving particularly in the latter

part of FY16. NBFCs have steadily grown in number and have enhanced their market share, indicating the strength of their business models. As of September 30, 2015, there were 11,781 Non-Banking Financial Companies (NBFCs) registered with the Reserve Bank, of which 212 deposit accepting (NBFCs-D) and 11,569 were non-deposit accepting (NBFCs-ND). NBFCs have emerged as vital intermediaries and have competed strongly with banks and financial institutions.

According to CRISIL, NBFCs help fill the gaps in availability of financial services with respect to products as well as customer and geographical segments. A strong linkage at the grassroots level makes them a critical cog in catering to the unbanked masses in rural and semi-urban reaches, thereby enabling the government and regulators to achieve the mission of financial inclusion. However, the last few years have been challenging for the NBFC sector with asset growth rates moderating, delinquencies rising and profits plummeting. However, ample capital adequacy, a shift towards secured lending and lowered ALM risks have helped the sector absorb cyclical stresses on asset quality and profitability. According to a report from BCG & CII, between 2005 and 2015, the share of credit (in the total credit) of NBFCs in India went up from 10% to 13%. Besides, the growth in share is not only observed in traditional NBFC domains like commercial vehicle (CV) finance but also in products like mortgages where commercial banks are very active. For instance, in home loans, housing finance companies (HFC's) share has gone up from 26% to 38% between FY09 and FY15.

In the last 3 years, NBFCs' share in CV financing has gone up from 42% to 46%. While NBFCs are dominant in smaller ticket segments like micro finance, consumer durables, two wheeler etc. Success of NBFCs is attributed to very sharp focus on product lines leading to better cost control, bad debt control, better customer service and consequently faster growth at higher profitability as compared to banks. NBFCs' credit penetration in GDP of India at 13% is well behind economies like Thailand and Malaysia at -25% and China at -33% and there is immense growth opportunity ahead for the players. Particularly, at a time when the present government actively seeks for financial inclusion and deeper penetration in rural India. There is a huge unaccounted credit demand from a major population in India (particularly rural India) who are underserved by formal financing channels; this is where the NBFCs are expected to focus for superior growth for the next 5-10 years.

OPPORTUNITY AND THREATS

Confidence is sometimes, all that matters. Uncertainties over the Indian economy and government policies linger, business

confidence continues to falter. A stable government at the centre is desirable to pick up the ailing economic growth as well as to tame inflation thus reviving the lost business confidence

At Ashika, we were no exception. Our lending operations were quite focussed but due to heavy NPA provisioning and loss in investment accounted for negative EPS. It made imperative for us to shift focus towards opportunities that generate future earning visibility. Corporate financing is one such field where we plan to leverage our experience and expertise. Going ahead, we expect substantial margins from corporate financing, which will transform into higher profitability and recovery of debts.

Our ability to re-design a customised financial product and then integrate it with our operational expertise is our key strength. While we exercise this on a high-ticket size model to a few customers, we felt we could take this to a new level.

At Ashika, we shifted our focus on identifying pockets of opportunities across our network of operations. We redefined our model to serve corporate in need for small ticket-size loans than those with larger ticket size loan amount. This would bring in multiple benefits to us. One, it would protect our margins and de-risk us from larger NPAs. Two, it would broaden our customer portfolio, widening our revenue basket in the coming years. We are confident that with this strategy we shall demonstrate our capabilities to strengthen our loan book, and create more value for our stakeholders. Your Company has also adopted strategies to shift towards secured lending practices thereby bringing down its Gross NPAs and increasing its income from operations and profitability.

Your Company as a Financial Institution engaged in fund based activities i.e. lending and investing in securities. Gradually strengthening regulatory framework for NBFC's will lead to more robust governance structures and better performance. Competition within the financial services sector is expected to toughen, but your Company see these factors as opportunities for improvement. It seeks opportunities in capital market. Your Company shall continue to pursue creation of fresh assets by diversifying its loan portfolio. Due to booming Capital Market after formation of new government, the Company decided to invest more in Equity Market to participate in overall growth in Industry and Economy. The performance of capital market in India has a direct correlation with the prospect of economic growth. Our business performance may also be impacted by increased competition from local and global players operating in India, regulatory changes and attrition of employees.

The Company is exposed to all risks & threat which Financial Market & Non Banking Finance Company faces. In financial services business, effective risk management has become very crucial. As an NBFC, Your Company is exposed to credit risk,

Management Discussion And Analysis Report

liquidity risk and interest rate risks. Your company has in place suitable mechanisms to effectively reduce such risks. All these risks are continuously analysed and reviewed at various levels of management through an effective information system. The company is also facing risk of heavy ups and down in stock market which can be minimize due to risk management system of our company.

SEGMENTS – WISE OR PRODUCT WISE PERFORMANCE

Your company has only one segment and entire revenue is generated from financial activities only. Accordingly, segment reporting as required under Accounting Standard-17, issued by the Institute of Chartered Accountants of India, is not applicable.

INTERNAL CONTROL SYSTEMS

ACCL has adequate internal control mechanism with well-defined structure and processes to prevent revenue loss and/or misappropriation of funds and other assets of the Company. The ACCL maintains a system of internal controls designed to provide a high degree of assurance regarding effectiveness and efficiency of financial operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws. Internal Audit function conducted by independent chartered accountant's firm on quarterly basis and the report is placed before the Audit Committee of the company for reviewing and observing the changes.

The Board of the Company has constituted an Audit Committee, which is headed by a Non-Executive Independent Director. The Audit Committee periodically reviews internal audit reports and brings to the notice of the Board any significant process deviations. The internal control function is vested with Audit Committee members who hold eminent experience in the field of company's business. The Audit Committee is responsible for evaluating and reporting the adequacy and effectiveness of design of processes and internal controls and in mitigating the business risks. The level of discipline in process of compliance by various functions and process owners in their respective operations and business decisions. The modus operandi, internal / external involvement and collusion as well as corresponding process lapses / non-compliances by investigating the suspected fraudulent cases.

The organization is well structured with documented and pre-defined authority. The Company has implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

OUTLOOK

The improvement in credit demand in the latter part of FY 2015-16 has shown positive growth in NBFC sector. The Company would remain focused on capitalizing the opportunities in the market with intent to improve ROE. ACCL remains confident of the long term growth prospects & opportunities ahead of it in its business and chosen customer segments. ACCL believes that it is uniquely positioned within the NBFC industry to capitalize on the opportunities provided and shall continue to seek growth in its target segments. The management feels that its blend of business model, infrastructure, technology, management bandwidth and field force, would lead to a sustainable high growth trajectory in future years to come.

RISK AND CONCERNs

ACCL is exposed to specific risks that are particular to its businesses and environment within which it operates, including market risk, operational risk, credit risk, liquidity risk, interest risk, human resource risk and regulatory risk . Apart from these, unforeseen natural disasters and geo-political problems are also areas of concern. ACCL management is committed to ensure that risks are kept under control to develop a sustainable business model that is capable of maximizing shareholders' returns. The risk governing the business are detailed in the Corporate Governance report forming part of the Annual Report.

Regular reviews by Audit Committee and board that eventually reports to ensures assessment of the evolving and changing market and operational risks. The RMC meets at regular intervals to chalk out road-map in respect of building asset base as well as maintaining portfolio quality in the evolving market.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Financial Years 2015 – 16 have been full of changes in the regime. SEBI witnessed itself by bringing out major amendment to listed companies by replacing existing Listing Agreement with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 effective from 1st December 2015 and new Insider Trading Regulation 2015, which was effective from 15th day of May, 2015 so as to keep a check on dealing by Insiders in the securities of the company. Thus we find that listed entities are under complete vigilance in case of capital markets.

The financial performance of the company in the year 2015-16 was not stable. The company reflected an income of Rs 21,607,205/- which relates to income from Interest on loan

amounting to Rs 14,454,827/- and profit on redemption/sale of investments Rs 65,68,452/- But due to provision for NPA of Rs 61,196,590/- and provision against diminution of Current Investments for Rs 29,363,062/-, company has recorded loss of Rs 81,080,694/- before tax and a loss of Rs 59,836,834/- after tax for the year under review. The EPS of the company for the year under review is negative Rs 8.55.

The operating performance showed credential as operating profit before provision of NPA and provision against diminution of Current Investments stand to Rs 93,05,379/- for the year under review.

HUMAN RESOURCE

The company continued to emphasize on retaining, nurturing its human resource base. It recognized the role that human capital

plays in the modern workplace and aims to create a harmonious environment to enable the raising of employee productivity and hence allow employees to reach full potential. During the year your company has employed 4 employees .

Cautionary Statement/Disclaimer (for this Report)

Certain statements in this Report which describe the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document, due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and government policies that may impact the Company's business, as well as its ability to implement the strategy. The Company does not undertake to update these statements.

BOARD'S REPORT

Dear Shareholders,

Your Directors takes pleasure in presenting the Twenty-Third Annual Report of the operations and business of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2016.

1. FINANCIAL SUMMARY OF THE COMPANY:

| Financial results for the year ended | 31st March, 2016 | 31st March, 2015 | (in ₹) |
|---|------------------|------------------|--------|
| Total Income | 21,607,205 | 31,280,405 | |
| Profit/ (Loss) before tax | (81,080,694) | 10,825,550 | |
| Less: Tax Expenses | (21,243,860) | 1,528,117 | |
| Profit / (Loss) for the year | (59,836,834) | 9,297,433 | |
| Add: Balance as per last financial statements | (12,606,415) | (19,956,606) | |
| Less: Transfer to statutory reserve U/s 45-IC of RBI Act 1934 | — | 1,859,487 | |
| Less: Transitional effect of Depreciation on Fixed Asset as per Companies Act 2013 as on 1st April 2014 | — | 87,755 | |
| Surplus/(Deficit) in the Statement of Profit and Loss | (72,443,249) | (12,606,415) | |

2. STATE OF COMPANY AFFAIRS:

The financial statements of the company is prepared as per the applicable provisions of section 133 of Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules 2014. In the year 2015-16 your company earned an income of Rs 21,607,205/- which relates to income from Interest on loan amounting to Rs 14,454,827/- and profit on redemption/sale of investments Rs 65,68,452/. But due to provision for NPA of Rs 61,196,590/- and provision against diminution of Current Investments for Rs 29,363,062/- , your company has recorded loss of Rs 81,080,694/- before tax and a loss of Rs 59,836,834/- after tax for the year under review. The EPS of the company for the year ended 31.03.2016 is negative Rs 8.55.

The operating profit before provision of NPA and provision against diminution of Current Investments stand to Rs 93,05,379/- for the year under review. The Loan book , both secured and unsecured stood to Rs 152,545,694/- as on 31.03.2016.

The Financial Years 2015 – 16 have been full of changes in the regime. SEBI witnessed itself by bringing out major

amendment to listed companies by replacing existing Listing Agreement with SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 effective from 1st December 2015 and new Insider Trading Regulation, 2015, which was effective from 15th day of May, 2015 so as to keep a check on dealing by Insiders in the securities of the company. Thus we find that listed entities are under complete vigilance in case of capital markets.

3. CHANGE IN NATURE OF BUSINESS:

There has been no change in nature of business of the company during the F.Y. 2015-2016. Your company is engaged in financial services and no other business segment is there and so there is only one segment reporting as per AS 17.

4. DIVIDEND:

The company has incurred loss during the year under review and so Board of Directors has decided not to recommend any dividend for the year ended 31st March 2016.

5. CHANGES IN SHARE CAPITAL:

There has being no change in the share capital of the company during the year 2015-16. At the end of the year as on 31st March 2016 the paid up Equity Share Capital as on 31st March, 2016 stood at Rs 69,964,955 (includes forfeited shares capital).

6. TRANSFER TO RESERVE:

Your company has incurred loss during the year under review and so no amount has been transferred to statutory reserve under section 45 IC of RBI Act 1934 for the year ended 31st March 2016.

7. DIRECTORS & KEY MANAGERIAL PERSON:

DIRECTORS

In accordance with the Article of Association of the company and provisions of Companies Act 2013, Ms Anju Mundhra (Din : 06969718) retires by rotation and being eligible, seeks reappointment.

The board on recommendation of Nomination & Remuneration committee and approval of shareholders in the Annual General Meeting held on 31st day of July, 2015, revised the remuneration structure of Mr. Pawan Jain from

Rs 15,00,000/- p.a. to Rs 42,00,000/- p.a inclusive of salary, benefits, allowances and perquisite effective from 1st April 2015. Further Mr. Pawan Jain (Din : 00038076) was reappointed as Managing Director & CEO of the company for a further period of 3 years effective from 1st December 2015 on recommendation of Nomination & Remuneration committee at a remuneration of Rs 84,00,000/- p.a. inclusive of salary, benefits, perquisites and allowances effective from 01.12.2015, duly approved by shareholders in the AGM held on 31st July 2015.

The Board of Directors appointed Mr. Daulat Jain as an additional director (Promoter, non – Executive) w.e.f. 14th January, 2016 pursuant to section 161 of Companies Act 2013 and shall hold office up to the date of ensuing Annual General Meeting and shall be liable to retire by rotation. The company has received a notice as per the provision of section 160(1) of Companies Act 2013 , from a member proposing his appointment as director.

The Board of Directors appointed Mr Sanjay Kr Singh (Din 00003695) as an additional director (Independent Director) w.e.f. 14th January 2016 pursuant to section 161 of Companies Act 2013 for a period of 5 consecutive years and shall hold office up to the date of ensuing Annual General Meeting and shall not retire by rotation. The company has received a notice as per the provision of section 160(1) of Companies Act 2013 , from a member proposing his appointment as director.

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and as per regulation 25 of SEBI (LODR) Regulations, 2015 all requisite declarations were placed before the Board.

Pursuant to regulation 36 of SEBI (LODR) Regulations, 2015, a brief resume / details relating to Directors who are proposed to be appointed/re-appointed are furnished in the Notice of the ensuing AGM.

The major highlights of the Remuneration Policy of the Company framed on Director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, are disclosed in the Corporate Governance Report .

KEY MANAGERIAL PERSONNEL

In terms of section 203 of Companies Act 2013 and rules made thereon, the following are the Key Managerial Personnel of the company during the F.Y. 2015- 16.

- 1) Mr. Pawan Jain – Managing Director & CEO
- 2) Ms. Anju Mundhra – Executive Director – Legal & Company Secretary
- 3) Mr. Amit Jain – Chief Financial Officer

8. NUMBER OF MEETINGS OF THE BOARD:

The company has duly complied with section 173 of the Companies' Act 2013. During the year under review, Four board meetings were convened and held. The date on which meeting were held are as follow 1st May 2015, 31st July 2015, 27th October 2015, 14th January 2016 and further there was a circular meeting held on 28th April, 2015 .The maximum interval between any two meetings did not exceed 120 days.

9. FORMAL ANNUAL EVALUATION:

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors on the basis of the following parameters:

- 1) Composition of Board and committee
- 2) Attendance of Board Meetings and Board Committee Meetings
- 3) Quality of contribution to Board deliberations
- 4) Experience & competencies
- 5) Strategic perspectives or inputs regarding future growth of Company and its performance
- 6) Ethics and compliance

Separate exercise was carried out to evaluate the performance of chairman and Managing Director on basis of the parameters such as contribution, independent judgement, effective leadership to the Board, safeguarding of minority shareholders interest etc . Based on aforesaid parameters, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Individual Directors (including Independent Directors) was carried out and evaluated to be satisfactory.

During the year under review, the Independent Directors of your Company carried out the performance evaluation of Non-Independent Directors and Chairperson at a separate meeting of Independent Director.

Board's Report

The Directors were satisfied with the Evaluation Results, which reflects the overall engagement of board and its committee with the company. Board's actions and decisions are aligned with the Company's best interest. All Directors are interactive and participative. The Directors at the individual level enhances the value of boards' effectiveness by elevating its knowledge and integrating the same in all desired ways so as to commit to the goal of sustainably elevating the Company's value creation for the long term. The Chairman has wide knowledge and vast experience and skills and understanding of the Board's Functioning.

10. MANAGERIAL REMUNERATION:

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure A** and forms part of the Board Report.

Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 so statement pursuant to Section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be included.

11. DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

Your Company has neither a Subsidiary Company nor a Joint Venture Company or an Associate Company during the year under review.

12. AUDITORS

STATUTORY AUDITOR :

M/s. P.K Sah & Associates, Chartered Accountants was appointed as Statutory Auditors of the Company for a period of 3 years pursuant to section 139(2) of the Companies Act 2013 and rules made thereon in the Annual General Meeting held on 2nd September 2014. The company has received letter from them to the effect that their appointment if ratified would be within the prescribed limit under section 141 of the Companies Act 2013 and they are not disqualified for appointment. Accordingly a resolution seeking members' ratification for the

appointment of M/s. P.K.Sah & Associates as Statutory Auditor for the F.Y. 2016-2017 is included in the Notice convening the ensuing Annual General Meeting.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. MR & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the year ended 31st March 2016 is annexed herewith as **Annexure B**.

INTERNAL AUDITOR:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules framed thereon , your Company has appointed M/s. Shyamsukha Amit & Associates, Chartered Accountant to undertake the Internal Audit of the Company for the F.Y. 2015-2016. There stood no adverse finding & reporting by the Internal Auditor in the Internal Audit Report for the year ended 31st March 2016.

AUDITOR REPORTS:

There are no qualifications, reservation or adverse remarks made by M/s. P.K.Sah & Associates, the Statutory Auditor, in their Audit Report on the financial statements for the year ended 31st March 2016 and by M/s. MR.& Associates , Company Secretaries , in their Secretarial Audit Report.

The Statutory Auditor has not reported any incident of fraud to the Audit Committee of the company in the year under review.

13. COMMITTEES:

With a view to have a more focused attention on business and for better governance and accountability, and in accordance with applicable provisions, your Board has the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. The details of the committee with terms of reference along with composition and meeting held during the year are provided in the Report on Corporate Governance, a part of this Annual Report.

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Your Company has established a vigil mechanism for

Directors and employees to report their genuine concerns and about unethical behavior, actual or suspected, fraud or violation of the Codes of Conduct or Ethics policy. It has adopted a Whistle Blower Policy and the same is hosted on the website of the company (http://www.ashikagroup.com/PDF/VIGIL_MECHANISM.pdf). The details of the said vigil mechanism have been given in the Corporate Governance Report annexed to this Report.

15. RISK MANAGEMENT POLICY:

Pursuant to section 134(n) of Companies Act 2013 and Regulation 17(9) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, your company has a robust Risk management framework to identify, evaluate business risk and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the competitive advantage. The framework has a different risk model which helps in identifying risk trends, exposure and potential impact analysis at a company level. The key business risk identified by the company is disclosed in the Corporate Governance report.

16. CORPORATE SOCIAL RESPONSIBILITY:

The Company had not taken any initiatives on the activities of Corporate Social Responsibilities as the provisions relating to the same are not applicable to the Company.

17. EXTRACT OF ANNUAL RETURN:

Companies Act, 2013 makes mandatory for every company to prepare an extract in the format prescribed MGT 9. The detailed extract forming part of the Annual Return as on 31st March 2016 is annexed herewith as Annexure - C.

18. MATERIAL CHANGES:

There have been no material changes and commitments affecting the financial position of the company, which have occurred since 31st March 2016, being the end of the Financial Year of the Company to which financial statements relate and the date of the report.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

There are no significant material orders passed by the Regulators / Courts/Tribunals which would impact the going concern status of the Company and its future operations.

There stood a complaint filed by Manali Properties Limited and M/s. Manali Properties & Finance Private Limited against company & its officers u/s 200 of the Criminal Procedure Code before the Court of Metropolitan Magistrate , Kolkata. Pursuant to the said complaint your company had made an application u/s 482 to Hon'ble High Court, Calcutta and the court has granted a stay order on 12.09.2012. The matter is till date pending before Bankshall Court and High Court, Kolkata.

20. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company Internal Financial Control System are commensurate with the size, scale and complexity of its operations. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss, proper prevention & detection of frauds & error, the accuracy and completeness of the accounting records, and all transactions are authorized, recorded and reported correctly. The scope and authority of the Internal Audit (IA) function is defined in the internal financial control policy. These are routinely monitored and evaluated by the Statutory as well as Internal Auditors.

The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Financial Control System in the Company, its compliance with operating systems, accounting procedures and policies. To maintain its objectivity and independence, the Internal Auditor reports directly to the Chairman of the Audit Committee of the Board, all the significant audit observations and follow up actions thereon. Both Statutory and Internal Auditor have quarterly sessions with the Audit committee. The Internal audit report are placed before the Audit committee on quarterly basis and all findings and observation are recorded thereon. The said observation and comments, if any of the Audit Committee are placed before the board.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT 2013:

Your Company being the Non Banking Financial Company having the principal business of providing loans, is exempted from the provisions of Section 186 of the Companies Act, 2013 to the extent of providing loans, giving guarantee and providing security in connection with loan.

However, the details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in notes to the financial statement

Board's Report

22. DEPOSITS:

Your company is Non Deposit taking NBFC registered with RBI, thus the said clause is not applicable and the company does not accept any deposit. The Board of Directors has duly passed a resolution in their meeting giving effect to the aforesaid statement.

23. CONTRACTS/ TRANSACTIONS / ARRANGEMENTS WITH RELATED PARTIES:

All contracts/ arrangements/transactions with related parties entered by the company during the financial year 2015-16 were at arm's length basis and in the ordinary course of business and are in compliance with the applicable provision of the Companies Act 2013 and SEBI (LODR) Regulations, 2015 (Previously Listing Agreement). There were no materially significant related party transactions made by the company with Promoters, Directors, KMPs or other designated person which may have a potential conflict with the interest of the company at large.

Particulars of contracts or arrangements or transactions entered into by the company with related parties covered u/s 188 (1) of Companies Act 2013 is mentioned in form AOC – 2 and is appended as **Annexure – D** to the Board Report .

In terms of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 which came in to effect w.e.f. 1st December 2015 and as per section 177 of Companies Act 2013 read with rules thereon, all related party transactions are placed before the Audit Committee for review and approval. The Board of Directors of the Company has approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on Related Party Transactions. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature.

A Related Party policy has been devised by the Board of Directors for determining the materiality of transactions with related parties and dealing with them and is hosted on the website (www.ashikagroup.com) of the company and the link to the said policy has been provided elsewhere in the Annual Report. The detailed related party transactions are disclosed in the Corporate Governance report and in the financial statements, which forms a part to the Annual report.

Pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015 which came in to effect w.e.f. 1st December 2015 ,

which specify that all existing material RPTs entered prior to the notification of SEBI (LODR) Regulations, 2015 and which are likely to continue beyond December 01, 2015 is being placed for approval of the Members at the ensuing 23rd Annual General Meeting.

24. CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the report on Corporate Governance and Management Discussion & Analysis forms part of the Annual Report. The Certificate from the Secretarial Auditor of the company confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 also constitute an integral part of the Annual Report.

25. DISCLOSURES ON POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT:

The company has adopted the policy on redressal of Sexual and Workplace harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). and the same is displayed at the website of the company (<http://www.ashikagroup.com/PDF/sexual%20harassment%20policy-ACCL.pdf>). The Company believes that it is the responsibility of the organisation to provide an environment to its employee who is free of discrimination, intimidation and abuse and also to protect the integrity and dignity of its employees and to avoid conflicts and disruptions in the work environment. Further there stood no cases filed during the year under review.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOES:

Since the Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, technology absorption and foreign exchanges earning and outgo , as prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable.

27. DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors to the best of their knowledge and belief and according to the information and explanation

obtained by them make the following statement in terms of clause (c) of sub-section (3) of section 134 of Companies Act 2013 that —

- a) In the preparation of the annual accounts for the financial year ended on 31st March 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2016 and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. ACKNOWLEDGMENTS:

Your Directors take the opportunity to thank the Regulators, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

(PAWAN JAIN)

Place: Kolkata

Date: 29/05/2016

Chairman & Managing Director

DIN: 00038076

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16 are as under:

| Name of the Directors / KMPs | Designation | Remuneration of Director/KMP for financial year 2014-15 (in Rs.) | Remuneration of Director/KMP for financial year 2015-16 (in Rs.) | % increase in Remuneration in the Financial year 2015-2016 compared to 2014-2015 | Ratio of remuneration of each Director to "median remuneration of employees (in times) | Comparison of the Remuneration of the KMP against the performance of the Company |
|------------------------------|--|--|--|--|--|---|
| Mr. Pawan Jain | Managing Director & Chief Executive Officer | 15,00,000 | 53,07,484 | 254 | 23.11 | The company has incurred loss during the F.Y. 2015-16 as compared to profit earned in its previous year |
| Mr. Amit Jain | Chief Financial Officer | 7,59,417 | 8,54,080 | 12 | 3.72 | |
| Ms. Anju Mundhra | Executive Director-Legal & Company Secretary | 8,41,734 | 10,24,496 | 22 | 4346 | |

Note: 1. * Calculation of median is taken on the figures as at the end of Financial Year.

- b. The Median Remuneration of Employees as on March 31, 2016 was Rs. 2,29,638 and as on March 31, 2015 was Rs. 597,207. There has been no increase in the median remuneration of employees during the financial year 2015-16 due to appointment of junior employees .
- c. There were 8 (Eight) permanent employees on the rolls of Company as on March 31, 2016.
- d. **The explanation on the relationship between average increase in remuneration and company performance:-**
The company has incurred loss of Rs 81,080,694/- before tax during the year under review mainly due to provisioning of NPA of Rs 61,196,590/- and provision towards diminution of Investments to the tune of Rs 29,363,062/. The year 2015-16 was a profitable year for the company, as the operating profit before provisioning of NPA & Diminution of Investments stood to Rs 9,305,379/- as compared to the operating profit for Rs 10,736,720/- in its previous year. So, the increase in remuneration was in line with the performance of the company.
- e. **Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:**
The total remuneration of Key Managerial Personnel increased by 132% from Rs 3,101,151/- in 2014-15 to Rs 7,186,060/- in 2015-2016.
- f. (i) Variations in the market capitalization of the Company :
The market capitalization as on March 31, 2016 was Rs 20.88 crores approx (Rs 30.46 crore as on March 31, 2015)
(ii) The Price Earnings ratio of the Company cannot be determined as the company has incurred loss during the year ended on March 31, 2016
(iii) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year. The company came out with IPO in the year 2000 at the face value and the price of the shares as on 31st March 2016 stands to Rs. 29.85. Further the Company had not come out with any public offerings during the financial year March 31, 2016.

g. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the Managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

- 1) Increase in salary of Managerial Personnel – 132%
- 2) Increase in salary of employee (other than Managerial Personnel) – 12 %

h. Comparison of the each remuneration of Key Managerial Personnel against the performance of the company

| Sl. No. | Particulars | % of Revenue for the F.Y. 2015-16 | % of Operating profit for the F.Y. 2015-16 |
|---------|--------------|-----------------------------------|--|
| 1 | Pawan Jain | 24.80 | 35.02 |
| 2 | Amit Jain | 3.99 | 7.98 |
| 3 | Anju Mundhra | 4.79 | 9.42 |

i. Key parameters for any variable component of remuneration availed by the directors : NIL

j. **Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Not Applicable.

k. **Affirmation that the remuneration is as per the remuneration policy of the company:**

Yes, it is confirmed.

SECRETARIAL AUDIT REPORT

Form No. MR - 3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,
The Members,
ASHIKA CREDIT CAPITAL LIMITED
226/1 A.J.C.Bose Road "Trinity"
7th Floor, Kolkata 700020
West Bengal2

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ASHIKA CREDIT CAPITAL LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company

Annexure "B" to the Board Report

has, during the audit period covering the financial year ended on 31st March,2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made there under;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent

Board's Report

- of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as applicable (Not Applicable to the Company during the Audit Period);
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);
 - The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as

may be issued by SEBI from time to time to the extent applicable.

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company.

- Reserve Bank of India Act, 1934 and guidelines, directions and instructions issued by RBI through notifications and circulars relating to Non-banking Financial Institution laws from time to time.
- Prevention of Money Laundering Act, 2002 and The Prevention of Money-Laundering (Amendment) Act, 2012

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India, effective from 1st July' 2015.
- The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Limited and MCX Stock Exchange Limited. Further, the securities of the Company are traded on the nationwide platform of Bombay Stock Exchange Limited under "permitted securities" category with effect from 11th November, 2011

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the

meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there are no specific events, actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

This Report is to be read with our letter of even date which is annexed "**Annexure I**" and forms an Integral Part of this Report.

For **M R & Associates**
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

Date : 29.05.2016
Place : Kolkata

TO THE SECRETARIAL AUDIT REPORT

"ANNEXURE – I"

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,
The Members
ASHIKA CREDIT CAPITAL LIMITED
226/1 A.J.C.Bose Road "Trinity"
7th Floor, Kolkata 700020
West Bengal

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M R & Associates**
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

Date : 29.05.2016
Place : Kolkata

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|--|---|
| 1. CIN: | L67120WB1994PLC062159 |
| 2. Registration Date: | 8/3/1994 |
| 3. Name of the Company | Ashika Credit Capital Ltd. |
| 4. Category / Sub-Category of the Company: | Public Limited company /Indian Non Government Company |
| 5. Address of the Registered office and contact details: | Trinity, 226/1, A.J.C.Bose Road, 7th Floor, Kolkata- 700020 Tel : (033) 40102500, fax : (033) 22891555 Email id- secretarial@ashikagroup.com , anjulohia@ashikagroup.com Website : www.ashikagroup.com |
| 6. Whether listed company Yes / No | Yes |
| 7. Name, Address and Contact details of Registrar and Transfer Agent, if any – | M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd floor, Kolkata – 700001 Tel : (033) 22482248, 22435809/5029 Fax : (033) 22484787 Email id- mdpldc@yahoo.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| 1. All the business activities contributing 10 % or more of the total turnover of the Company shall be stated: | | | |
|--|--|-----------------------------------|------------------------------------|
| Sl. No. | Name and Description of main Products / Services | NIC Code of the Product / Service | % to total turnover of the Company |
| 1 | Non Banking Financial Services | 649 | 100 % |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | CIN / GLN | HOLDING / SUBSIDIARY / ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---------|---------------------------------|-----------|----------------------------------|------------------|--------------------|
| 1 | N. A. | N. A. | N. A. | N. A. | N. A. |

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on April 01, 2015) | | | | No. of Shares held at the end of the year (As on March 31, 2016) | | | | % Change during the year |
|--|--|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. PROMOTERS | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 789,000 | - | 789,000 | 11.2798 | 789,000 | - | 789,000 | 11.2798 | Nil |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 1,066,900 | - | 1,066,900 | 15.2527 | 1,066,900 | - | 1,066,900 | 15.2527 | Nil |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 1,855,900 | - | 1,855,900 | 26.5325 | 1,855,900 | - | 1,855,900 | 26.5325 | Nil |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 1,855,900 | - | 1,855,900 | 26.5325 | 1,855,900 | - | 1,855,900 | 26.5325 | Nil |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| 2. Non -Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 4,484,527 | 138,000 | 4,622,537 | 66.0849 | 4,117,629 | 138,000 | 4,255,629 | 60.8397 | (5.2452) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lacs | 140,743 | 44,457 | 185,200 | 2.6477 | 178,904 | 44,457 | 223,361 | 3.1932 | 0.5455 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lacs | 318,549 | 11,000 | 329,549 | 4.7113 | 64,4076 | 1,1000 | 655,076 | 9.3652 | 4.6539 |

Board's Report

| Category of Shareholders | No. of Shares held at the beginning of the year (As on April 01, 2015) | | | | No. of Shares held at the end of the year (As on March 31, 2016) | | | | % Change during the year |
|---|--|----------------|------------------|-------------------|--|----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c) Others (specify) - Clearing Member Non Resident Individual | 1500 | - | 1500 | 0.0214 | 4525 | - | 4525 | 0.0647 | 0.0433 |
| 150 | - | 150 | 0.0021 | 335 | - | 335 | 0.0048 | 0.0027 | |
| Sub-total (B)(2):- | 4,945,469 | 193,457 | 5,138,926 | 73.4675 | 4,945,469 | 193,457 | 5,138,926 | 73.4675 | Nil |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 4,945,469 | 193,457 | 5,138,926 | 73.4675 | 4,945,469 | 193,457 | 5,138,926 | 73.4675 | Nil |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 6,801,369 | 193,457 | 6,994,826 | 100 | 6,801,369 | 193,457 | 6,994,826 | 100 | Nil |

ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change during the year |
|---------|------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--------------------------|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | |
| 1 | Pawan Jain(HUF) | 789,000 | 11.2798 | Nil | 789,000 | 11.2798 | Nil | Nil |
| 2 | Ashika Hedge Fund Pvt Ltd | 566,900 | 8.1046 | Nil | 566,900 | 8.1046 | Nil | Nil |
| 3 | Ashika Share Trading Pvt Ltd | 500,000 | 7.1481 | Nil | 500,000 | 7.1481 | Nil | Nil |
| 4 | Pawan Jain * | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 5 | Daulat Jain * | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total | 185,5900 | 26.5325 | Nil | 1,855,900 | 26.5325 | Nil | Nil |

* Promoter Director

iii) Change in Promoters' Shareholding

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---------|---|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the beginning of the year | 1,855,900 | 26.5325 | 1,855,900 | 26.5325 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | | | No Change during the year | |
| | At the End of the year | 1,855,900 | 26.5325 | — | — |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|------------|--|--|-------------------------------------|--|-------------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Apex Commo Trade Pvt Ltd | | | | |
| | April 01, 2015 | 340,000 | 4.8607 | 340,000 | 4.8607 |
| | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease | No change | | | |
| | March 31, 2016 | - | - | 340,000 | 4.8607 |
| 2 | Happyshop Distributors Pvt Ltd@ | | | | |
| | April 01, 2015 | 234,034 | 3.3458 | - | - |
| | June, 30 2015 – Sale | (165,000) | (2.3589) | 69,034 | 0.9869 |
| | December, 11 2015 – Sale | (69,034) | (0.9869) | - | - |
| | March 31, 2016 | - | - | - | - |
| 3 | Spice Merchants Pvt Ltd | | | | |
| | April 01, 2015 | 214,675 | 3.0691 | - | - |
| | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease | No change | | | |
| | March 31, 2016 | - | - | 214,675 | 3.0691 |
| 4 | Rohini dealcom Private Limited | | | | |
| | April 01, 2015 | 181,000 | 2.5876 | - | - |
| | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease | No change | | | |
| | March 31, 2016 | - | - | 181,000 | 2.5876 |
| | Brilliant Vincom Private Limited | | | | |
| 5 | April 01, 2015 | 174,345 | 2.4925 | - | - |
| | May, 01 2015 – Sale | (1,525) | (0.0218) | 172,820 | 2.4707 |
| | June 30, 2015 - Sale | (106,000) | (1.5154) | 66,820 | 0.9553 |
| | October 16 , 2015- Purchase | 76,800 | 1.0980 | 143,620 | 2.0533 |
| | March 31, 2016 | - | - | 143,620 | 2.0533 |
| | Swetambari Tradecom Pvt Ltd @ | | | | |
| 6 | April 01, 2015 | 198,182 | 2.8333 | - | - |
| | June 30, 2015 – Sale | (130,000) | (1.8585) | 68,182 | 0.9747 |
| | December 11, 2015 – Purchase | 60,228 | 0.8610 | 128,410 | 1.8357 |
| | March 31, 2016 – Purchase | 1,376 | 0.0196 | 129,786 | 1.8553 |
| | March 31, 2016 | - | - | 129,786 | 1.8553 |
| | Trident Distributors Private Limited @ | | | | |
| 7 | April 01, 2015 | 184,462 | 2.6371 | - | - |
| | June 30, 2015 – Sale | (120,000) | (1.7155) | 64,462 | 0.9216 |
| | March 31, 2016 | - | - | 64,462 | 0.9216 |

Board's Report

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|------------|--|--|-------------------------------------|--|-------------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 8 | Scope Vyapaar Pvt Ltd (known as Class Commercial Pvt Ltd) | | | | |
| | April 01, 2015 | 152,129 | 2.1749 | - | - |
| | June 05, 2015 – Sale | (8,489) | (0.1214) | 143,640 | 2.0535 |
| | March 31, 2016 | - | - | 143,640 | 2.0535 |
| 9 | Kripa Securities Pvt Ltd | | | | |
| | April 01, 2015 | 145,000 | 2.0730 | - | - |
| | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease | No change | | | |
| | March 31, 2016 | - | - | 145,000 | 2.0730 |
| 10 | Winall Vinimay Pvt Ltd | | | | |
| | April 01, 2015 | 144,753 | 2.0694 | - | - |
| | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease | No change | | | |
| | March 31, 2016 | - | - | 144,753 | 2.0694 |
| 11 | Lilygold Merchants Pvt Ltd # | | | | |
| | April 01, 2015 | 144,725 | 2.0690 | - | - |
| | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease | No change | | | |
| | March 31, 2016 | - | - | 144,725 | 2.0690 |
| 12 | Runicha Merchants Pvt Ltd # | | | | |
| | April 01, 2015 | 134,983 | 1.9298 | - | - |
| | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease | No change | | | |
| | March 31, 2016 | - | - | 134,983 | 1.9298 |
| 13 | B. Lodha Securities Limited # | | | | |
| | April 01, 2015 | - | - | - | - |
| | June 30, 2015 – Purchase | 415,000 | 5.9330 | - | - |
| | July 03, 2015 – Sale | (17,000) | (0.2431) | 398,000 | 5.6899 |
| | July 10, 2015 – Sale | (32,760) | (0.4683) | 365,240 | 5.2216 |
| | July 17, 2015- sale | (30,000) | (0.4289) | 335,240 | 4.7927 |
| | July 31, 2015 – Sale | (28,255) | (0.4039) | 306,985 | 4.3888 |
| | August 07, 2015 – sale | (56,985) | (0.8147) | 250,000 | 3.5741 |
| | March 31, 2016 | - | - | 250,000 | 3.5741 |
| 14 | Sidhiman Vyapaar Pvt Ltd # | | | | |
| | April 01, 2015 | 214,675 | 3.0691 | - | - |
| | Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease | No change | | | |
| | March 31, 2016 | - | - | 214,675 | 3.0691 |

#. Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

@ Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 01-04-2015.

v) Shareholding of Directors and Key Management Personnel:

| Sl. No. | Name of the Directors and KMP | Shareholding at the beginning of the year 01/04/2015 | | Shareholding at the end of the year 31/03/2016 | |
|------------|-------------------------------|---|-------------------------------------|---|-------------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Mr Pawan Jain, MD & CEO# | - | - | - | - |
| 2 | Mr Daulat Jain @ | - | - | - | - |
| 3 | Mr K.P.Khandelwal | - | - | - | - |
| 4 | Mr R.S. Agarwal | - | - | - | - |
| 5 | Mr Sanjay Kr Singh@ | - | - | - | - |
| 6 | Mr K.K.Saraf | - | - | - | - |
| 7 | Mr Sagar Jain | - | - | - | - |
| 8 | Ms Anju Mundhra, ED & CS | - | - | - | - |
| 9 | Mr Amit Jain – CFO | - | - | - | - |

holding 789000 shares in capacity of Karta of Pawan Jain (HUF)

@. Appointed as Additional Director w.e.f. 14.01.2016

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in ₹)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|--|--------------------|------------|-----------------------|
| Indebtedness at the beginning of the financial year | NIL | NIL | NIL | NIL |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |
| Change in Indebtedness during the financial year | NIL | NIL | NIL | NIL |
| • Addition | | | | |
| • Reduction | | | | |
| Net Change | NIL | NIL | NIL | NIL |
| Indebtedness at the end of the financial year | NIL | NIL | NIL | NIL |
| i) Principal Amount | | | | |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | NIL | NIL | NIL | NIL |

Board's Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in ₹)

| Sl. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | Total Amount |
|------------|---|--|--------------------------|--------------|
| | | Pawan Jain, MD | Anju Mundhra, ED & CS | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4,972,182 | 1,024,496 | 5,996,678 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 335,302 | - | 335,302 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission -as % of profit -Other, specify | - | - | - |
| 5 | Other, please specify | - | - | - |
| | Total (A) | 5,307,484 | 1,024,496 | 6,331,980 |
| | Ceiling as per the Act | As per Part II, section II (A) Proviso of Schedule V as prescribed under Companies Act 2013. | | |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | | Total Amount |
|------------|--|-------------------|---------------|--------------------|-----------------|---|---------------------------|-----------------|
| | | Sagar Jain | K.K. Saraf | K.P. Khandelwal | R.S. Agarwal | Daulat Jain* | Sanjay Kumar Singh* | |
| 1. | Independent Directors | | | | | | | |
| | • Fee for attending board | 20,000 | - | 20,000 | 20,000 | - | - | 60,000 |
| | • Committee meetings | 7,000 | - | 9,000 | 9,000 | - | - | 25,000 |
| | • Commission | - | - | - | - | - | - | - |
| | • Others independent directors' meeting | 1,000 | - | 1,000 | 1,000 | - | - | 3,000 |
| | Total(1) | 28,000 | - | 30,000 | 30,000 | - | - | 88,000 |
| 2. | Other Non-Executive Directors | | | | | | | |
| | • Fee for attending board | - | 20,000 | - | - | - | - | 20,000 |
| | • Committee meetings | - | 9,000 | - | - | - | - | 9,000 |
| | • Commission | - | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - | - |
| | Total (2) | - | 29,000 | - | - | - | - | 29,000 |
| | Total (B)=(1+2) | 28,000 | 29,000 | 30,000 | 30,000 | - | - | 117,000 |
| | Total Managerial Remuneration | | | | | No Remuneration is paid | | |
| | Overall Ceiling as per the Act | | | | | No Commission or other remuneration apart from sitting fees is being paid to Non Executive Directors. | | |

* Appointed as additional director (s) w.e.f 14th January, 2016 and were invitee for the said Board Meeting.

C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD

(in ₹)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|------------|--|-----------------------------------|--|---------------------------|-----------------------------------|
| | | Pawan Jain, MD & CEO | Anju Mundhra Executive Director- Legal & Company Secretary | Amit Jain, CFO | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 4,972,182 335,302 — | 1,024,496 — — | 854,080 — — | 6,850,758 335,302 — |
| 2. | Stock option | — | — | — | — |
| 3. | Sweat Equity | — | — | — | — |
| 4. | Commission -as % of profit -Other, specify | — — — | — — — | — — — | — — — |
| 5. | Other, please specify | — | — | — | — |
| | Total (A) | 5,307,484 | 1,024,496 | 854,080 | 7,186,060 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences under any sections of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

For and on behalf of the Board of Directors

(PAWAN JAIN)

Chairman & Managing Director

DIN: 00038076

Place: Kolkata

Date: 29/05/2016

Board's Report

Annexure "D" to the Board Report

FORM NO. AOC - 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act 2013 including certain arm's length transactions under third proviso thereto.

1. Details of Contracts or arrangements or transactions not at arm's length basis

| Sl. No. | Name of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of contracts / arrangements / transactions | Salient features of contracts/ arrangements/ transactions, including value, if any | Justification for entering into such contracts / arrangements/ transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which special resolution was passed in general meeting u/s 188 (1) |
|----------------|--|---|---|--|---|----------------------------------|---------------------------------|--|
| Not Applicable | | | | | | | | |

2. Details of Material Contracts or arrangements or transactions at arm's length basis

| Sl. No. | Name of the related party and nature of relationship | Nature of contracts / arrangements/ transactions | Duration of contracts / arrangements/ transactions | Salient features of contracts / Arrangements / transactions, Including value, if any | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which special resolution was passed in general meeting u/s 188(1) |
|---------|---|--|--|--|----------------------------------|---------------------------------|---|
| 1 | Ashika Stock Broking Limited, Group Company , (Mr Daulat Jain, Common Director and Mr Amit Jain, CFO is also on board of ASBL) | Rendering or availing of Services | Five years (01.04.2015 to 31.03.2020) | Rs 20 crore per year, towards brokerage and other related charges along with Margin Money paid | 1st May, 2015 | N.A. | 31st July, 2015 |

For and on behalf of the Board of Directors

Place: Kolkata
Date: 29/05/2016

(PAWAN JAIN)
Chairman & Managing Director
DIN: 00038076

CORPORATE GOVERNANCE REPORT

(Forming part of the Board Report for the year ended 31st March, 2016)

(As per clause 49(II)(A) of Listing Agreement upto 30.09.2015 and Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.e.f 01.12.2015)

1) STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Ashika Credit Capital Limited believes that sound corporate governance is a key element for enhancing and retaining the trust of investors. As a responsible corporate citizen your Company has evolved best practices which are structured to institutionalize the policies and procedures that enhance the efficacy of the Board and inculcate a culture of accountability, transparency and integrity across the Ashika group as a whole. Your company continues to focus its strength, strategies and resources to become a truly global financial service provider.

The Board of Directors of the Company fully supports Corporate Governance practices of the Company with appropriate checks and balances at right places and at right intervals. The Company has complied with all the requirements of listing agreement vis-à-vis SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and listed below is the status with regard to same.

2) BOARD OF DIRECTORS

Your Company endeavors to have a judicious mix of executive, non-executive and Independent Directors, so as to have independence on the Board and separate its function of governance from that of management. Your Company also has a Woman Director which brings diversity on the Board. As on 31st March, 2016, the Board comprised eight Directors, including five non-executive Directors out of which four are independent. The Chairman of the Board is a Promoter-Executive Director. The experience of all Directors, who are renowned professionals, having diverse expertise in finance, taxation, legal procedures and compliance of law and general administration in letter and spirit and management, strengthens the governance and management of Company's affairs.

a) Composition, category and other relevant details of directors:

As per the Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 every listed entity having Executive Chairperson shall have at least half of the board members as Independent Directors'. Pursuant to the said requirement, your company has justified the compliance of the regulation. Further the composition and category of directors is prescribed below :

| Sl. No. | Name of Director & DIN No. | Category | No. of directorship held in Indian Public Ltd company other than ACCL@ | #Committee positions | | Disclosure of relationship director inter se | No of Shares held ## |
|---------|--|--------------------------------------|--|----------------------|-------------|--|----------------------|
| | | | | Member | Chairperson | | |
| 1 | Mr. Pawan Jain (00038076) | Promoter, Executive Director | 1 | 0 | 0 | Relative of Daulat Jain | — |
| 2 | Mr. Daulat Jain* (00040088) | Promoter, Non Executive Director | 2 | 0 | 0 | Relative of Pawan Jain | Nil |
| 3 | Mr. Radhey Shyam Agarwal (01142185) | Independent , Non Executive Director | 0 | 1 | 1 | - | Nil |
| 4 | Mr. Kashi Prasad Khandelwal (00748523) | Independent Non Executive Director | 2 | 5 | 0 | - | Nil |
| 5 | Mr. Sagar Jain (00392422) | Independent Non Executive Director | 1 | 0 | 1 | - | Nil |
| 6 | Mr. Sanjay Kumar Singh* (00003695) | Independent Non Executive Director | 2 | 1 | 0 | - | Nil |
| 7 | Mr. Keshav Kumar Saraf (00595594) | Non Executive Director | 2 | 4 | 0 | - | Nil |
| 8 | Ms Anju Mundhra (06969718) | Executive Director | 0 | 0 | 0 | - | Nil |

* appointed on board w.e.f 14th January, 2016

@ Excludes directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

#Only Audit Committee and Stakeholders' Relationship Committee has been considered as per regulation 26 of SEBI (LODR) 2015

holding 789000 equity shares in capacity of Karta of Pawan Jain (HUF)

Corporate Governance Report

b) Attendance of each director at the meeting of the board of directors and the last Annual General Meeting:

The boards of directors are of the view that for the smooth and strategic management of work flow and sustainable growth of all, the board members should strive to attend and participate in the scheduled meetings. During the year the board meet 4 (four) time . The details of attendance of the same are given here under.

| Sl. No. | Name of Director | Dates of Meeting & Attendance in meeting | | | | Attendance at last AGM held 31/06/2015 |
|------------|-----------------------------|--|------------|------------|------------|---|
| | | 01/05/2015 | 31/07/2015 | 27/10/2015 | 14/01/2016 | |
| 1 | Mr. Pawan Jain | ✓ | ✓ | ✓ | ✓ | Yes |
| 2 | Mr. Daulat Jain* | N.A. | N.A. | N.A. | ✓ | N.A. |
| 3 | Mr. Radhey Shyam Agarwal | ✓ | ✓ | ✓ | ✓ | Yes |
| 4 | Mr. Kashi Prasad Khandelwal | ✓ | ✓ | ✓ | ✓ | Yes |
| 5 | Mr. Sagar Jain | ✓ | ✓ | ✓ | ✓ | Yes |
| 6 | Mr. Sanjay Kr Singh* | N.A. | N.A. | N.A. | ✓ | N.A. |
| 7 | Mr. Keshav Kumar Saraf | ✓ | ✓ | ✓ | ✓ | Yes |
| 8 | Ms Anju Mundhra | ✓ | ✓ | ✓ | ✓ | Yes |

* Invitee for the meeting held on 14.01.2016

FAMILIARISATION PROGRAMME

Pursuant to regulation 25 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, your Company has conducted the familiarization programme for its independent Directors on 7th January 2016 and a separate programme was conducted on 14th January 2016 for the newly appointed Independent Director explaining in brief about the Industry in which the company operates, its business model, roles, rights and responsibilities of the Independent Director . Further on appointment of Independent Director, a formal letter of appointment is being issued setting out the terms of appointment , duties and responsibilities of the Director. He is also being guided to go through the website of the company to have more brief details about the company and applicable policies. The details of familiarization programme conducted during the year 2015-16 has being hosted on the website of the company (http://www.ashikagroup.com/PDF/ACCL_Details_of_Familiarisation_2015_2016.pdf)

INDEPENDENT DIRECTOR

Pursuant to the regulation 25 of SEBI (LODR) Regulation 2015 and stipulated in the Code of Independent Director as per Companies Act 2013, a meeting of Independent Directors was held on 7th January 2016 without presence of non – Independent Director and Members of Management.

The meeting was conducted to review the performance of Non- Independent Directors, including chairperson and board as a whole. They assessed the quality, content and timeliness of the flow of information between the management and board of directors. All the Independent Directors were present at the Meeting. The Independent Directors noted that Board of the Company works as a team and deliberate the matters in details and takes the decisions in the best interest of the Company The Independent Directors have reviewed performance of the Non Independent Directors as excellent and board has competent board

BOARD EVALUATION

The board has a formal mechanism for carrying out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including chairman of the board. The exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company. The performance of all directors was satisfactory and all of them have contributed effectively to the board. The brief details of the said evaluation is mentioned in the Board Report.

3) AUDIT COMMITTEE:

a) Brief description of terms of reference :

The company has a well defined Audit committee comprising of 4 (four) directors all being non executive directors', majority being Independent Directors and the chairman also being Independent Director. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The company secretary to the company acts as secretary to the committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Audit Committee is formulated & defined in line of section 177 of Companies Act 2013 read with regulation 18 of SEBI (listing Obligations and Disclosure Requirements) Regulations 2015, the committee shall act in accordance with the terms of reference specified by board which shall, inter alia, include—

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- The recommendation to board for appointment, re-appointment, remuneration, terms of appointment of Auditor and if required the replacement or removal of Auditors of the company.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process.
- Reviewing with management, performance of Statutory & Internal Auditor, adequacy of Internal Control System, scope of audit and note the observation of Auditors.
- Examination & review of the Annual financial statement, auditors' report with management before submission to board with particular reference to :

- Ø Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
- Ø Changes, if any, in accounting policies and practices and reasons for the same.
- Ø Major accounting entries involving estimates based on the exercise of judgment by management.
- Ø Significant adjustments made in the financial statements arising out of audit findings.
- Ø Compliance with listing and other legal requirements relating to financial statements.
- Ø Disclosure of any related party transactions.
- Ø Qualifications in the draft audit report.
- Review, approve or any subsequent modification of transactions of the company with related parties and to grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis subject to the approval of the Board
- Reviewing with management quarterly, half yearly financial statement before submission to board for approval;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, the statement of uses /application of funds rose through an issue & other related matter and make appropriate recommendations to the Board.
- Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- The review the functioning of Vigil Mechanism /Whistle Blower Policy adopted for Directors & employees of the company to report their genuine concerns and shall have direct access to the chairperson of the Audit Committee in appropriate or exceptional cases

Corporate Governance Report

- Scrutiny of Inter corporate Loans & Investments.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Approval of appointment / removal including terms of remuneration of Chief Financial Officer. (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

b) Composition , meeting and attendance during the year :

The committee met 4 (four) times during the year and the necessary quorum was present in all the meeting. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. The company secretary to the company acts as secretary to the committee. The Internal Auditor of the Company is invited to attend the Audit Committee meetings. The Chairman of the Audit Committee strives to be present at the Annual General Meeting to answer the shareholders queries, if any.

| Name of Director | Category | Date of Meeting and Attendance in meeting | | | |
|-----------------------------|---|---|------------|------------|------------|
| | | 01/05/2015 | 31/07/2015 | 27/10/2015 | 14/01/2016 |
| Mr. Sagar Jain | Chairman, Non Executive and Independent | Yes | Yes | Yes | Yes |
| Mr. Kashi Prasad Khandelwal | Member, Non-Executive Independent | Yes | Yes | Yes | Yes |
| Mr. Radhey Shyam Agarwal | Member, Non-Executive Independent | Yes | Yes | Yes | Yes |
| Mr. K. K. Saraf | Member , Non-Executive | Yes | Yes | Yes | Yes |

4) NOMINATION AND REMUNERATION COMMITTEE:

a) Brief description of terms of reference:

The committee's constitution and terms of reference are in compliance with provisions of section 178 of Companies Act 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 . The committee is primarily responsible for:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, KMP and other employees.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of evaluation of independent directors.
- Identifying and assessing potential individuals in accordance with the Criteria laid down for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel / senior management and recommend to the Board their appointment and removal.
- Formulate the criteria for performance evaluation of independent directors and the Board of directors.
- Devise a policy on Diversity of Board of Directors.
- Periodically reviewing the size and composition of the Board to ensure that the structured commensurate with the requirement of the company.

b) Composition, meeting and attendance during the year:

As on 31st March 2016, the Nomination and remuneration committee consist of the 4 members all being non executive members. The chairman is an the Independent Director. The committee met 3 (three) times during the year

| Name of Director | Category | Date of Meeting and Attendance in meeting | | |
|-----------------------------|---|---|------------|-----------|
| | | 1/05/2015 | 27/10/2015 | 7/01/2016 |
| Mr. Kashi Prasad Khandelwal | Chairman, Non Executive and Independent | Yes | Yes | Yes |
| Mr. Sagar Jain | Member, Non-Executive Independent | Yes | Yes | Yes |
| Mr. K. K. Saraf | Member, Non-Executive Independent | Yes | Yes | Yes |
| Mr. R. S. Agarwal | Member, Non-Executive | Yes | Yes | Yes |

c) Performance Evaluation Criteria for Independent Directors:

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct , timely execution, adherence to polices, spreading awareness , strategy and risk management planning and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

d) Remuneration Policy:

The Company follows a policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Employees. The Remuneration policy is adopted by Nomination & Remuneration committee. The key points derived from the said policy is mentioned below:

I) AIMS & OBJECTIVES

The aims and objectives of this remuneration policy may be summarized as follows:

- The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.
- The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values

and long-term interests of the company and will be consistent with the “pay-for-performance” principle.

- The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

II) CRITERIA, SELECTION AND APPOINTMENT:-

EXECUTIVE /NON EXECUTIVE DIRECTOR INCLUDING INDEPENDENT DIRECTOR

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company.
- The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment.
- A person, to be appointed as Director, should possess deep expertise and insights in sectors / areas relevant to the company, ability to contribute to company's growth, complementary skills in relation to the other Board members.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

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- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - ✓ Diversity of the Board.
 - ✓ Demonstrable leadership skills;
 - ✓ Commitment to high standards of ethics, personal integrity and probity;
 - ✓ Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
 - ✓ Having continuous professional development to refresh knowledge and skills.
 - ✓ Degree holder in relevant disciplines;
 - ✓ Experience of management in a diverse organization;
 - ✓ Excellent interpersonal, communication and representational skills
- In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

INDEPENDENT DIRECTOR

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on April 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed

companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

- Independent Director shall not be entitled to any stock option, if any introduced by the company.

Role of Independent director:

Independent Director shall abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013, or any amendments thereto and duties of Directors as provided in Section 166 of the Act and in Clause 49 of the Listing Agreement {subsequently replaced by SEBI (LODR) Regulation 2015}

KMPS AND SMP

- The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;
- To practice and encourage professionalism and transparent working environment
- The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;
- Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors.
- The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

SELECTION OF BOARD MEMBERS / EXTENDING INVITATION TO A POTENTIAL DIRECTOR TO JOIN THE BOARD

Nomination & Remuneration Committee periodically evaluate the Performance of every director, ascertain their availability and make suitable recommendations to the Board. The Committee identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

III) RE-APPOINTMENT OF DIRECTORS

The re-appointment of directors will not be automatic. The reappointment if any made shall be after consideration the report on the Performance Evaluation of each director as done by Board. The board will ensure planned and progressive refreshing of the board. Every Director except Independent and Nominee Director shall retire from office at each Annual General Meeting. A Director who retires at an Annual General Meeting may, if willing to act, be reappointed.

IV) TERM OF MANAGING DIRECTOR/WHOLE-TIME DIRECTOR:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

V) REMOVAL:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

VI) RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management

Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company pursuant to the applicable law.

VII) PRINCIPLES OF REMUNERATION:

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behavior that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The policy is built on the following principles:

- **Vision And Strategy-** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- **Transparent –**The policy and its execution are clear and practical.
- **Aligned within the company's objectives** – The remuneration policy is aligned with the company's short term and long term objectives, compatible with those of management and other employees.
- **Long-term orientated** – The incentives focus on long-term value creation.
- **Compliant** – Company adopts the highest standards of good corporate governance.
- **Simple** – The policy and its execution are as simple as possible and easily understandable to all stakeholders.
- **Internal equity-** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- **External equity-** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- **Flexibility-** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals

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- and those of the Company whilst complying with relevant tax and other legislation.
- **Performance-Driven Remuneration-** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System, as and when required.
 - **Affordability and Sustainability-** The Company shall ensure that remuneration is affordable on a sustainable basis.

VIII) REMUNERATION

Executive Directors (MD, CEO, WTD /Manager)

- ✓ The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
- ✓ The remuneration and commission to be paid to the Executive Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
- ✓ Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Executive Directors, as applicable.
- ✓ At the time of appointment or re-appointment, the CEO/ Managing Director/WTD shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO/Managing Director/WTD within the overall limits prescribed under the Companies Act, 2013.
- ✓ The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

The remuneration of the Executive Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus/commission.

In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:

- ✓ the relationship of remuneration and performance benchmarks is clear;
- ✓ balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

- ✓ responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
- ✓ the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

Minimum remuneration to Managing Director /WTD

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / WTD in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Non Executive Director:

Non-Executive Directors are paid sitting fees for each meeting of the Board or its committees attended by them. No other commissions are paid to Non executive Directors. Presently there are no stock option benefits given to any of its directors.

Independent Directors

The Independent Directors will receive remuneration by way of fees for attending meetings of Board or Committee thereof, as decided by the Committee from time to time subject to the limit defined under the Companies Act, 2013 and rules. Further the Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company

KMP and SMP

- ✓ The remuneration / compensation / commission etc. to KMP and SMP will be determined by the Committee and recommended to the Board for approval.
- ✓ At the time of appointment, KMP and SMP shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and KMP and SMP.
- ✓ The remuneration of KMP and SMP is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus and Incentives.

IX) REVIEW

This policy is framed based on the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the Clause 49 of the Equity Listing Agreement. In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

5) REMUNERATION OF DIRECTORS:

- a) There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which

has potential conflict with the interests of the Company at large.

b) Criteria of making payments to Non-Executive Directors:

Non – Executive Directors are paid sitting fees for each meeting of the board or its committees attended by them. No other commissions are paid to Non – Executive Director. Presently there are no stock option benefits given to any of its directors. Further the details are disseminated on the website of the company (http://www.ashikagroup.com/PDF/Criteria_for_Payment_to_Non_Executive_Directors.pdf.)

c) Detail of Remuneration paid to Directors:

The details of remuneration, sitting fees, performance bonus, and commission paid to each of the Directors during the year ended on 31st March 2015 are given below:-

(in ₹)

| Name of Director | Salary & perquisites# | Bonus | Sitting fees@ | Stock Option | Total |
|--|-----------------------|---------|---------------|--------------|-----------|
| Mr. Pawan Jain @@ (Managing Director & CEO) | 5,157,073 | 150,411 | N.A. | N.S. | 5,307,484 |
| Mr. Daulat Jain (w.e.f. 14.01.2016) | N.A. | N.A. | N.A. | N.A. | N.A. |
| Ms Anju Mundhra Executive Director & CS | 880,296 | 144,200 | N.A. | N.A. | 1,024,496 |
| Mr Kashi Prasad Khandelwal | N.A. | N.A. | 30,000 | N.A. | N.A. |
| Mr. R.S. Agarwal | N.A. | N.A. | 30,000 | N.A. | N.A. |
| Mr. Sagar Jain | N.A. | N.A. | 28,000 | N.A. | N.A. |
| Mr. K.K. Saraf | N.A. | N.A. | 29,000 | N.A. | N.A. |
| Mr. Sanjay Kr Singh (w.e.f. 14.01.2016) | N.A. | N.A. | N.A. | N.A. | N.A. |

@@ holding 789000 shares in capacity of Karta of Pawan Jain (HUF)

includes basic salary, incentives, allowances, contribution to provident fund, leave encashment and other perquisites

@ includes sitting fees paid for various Board and Committee meetings

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Terms of Appointment of Managing Director & CEO

| Details | Pawan Jain (MD & CEO) |
|--|---|
| Purpose (Duration of appointment) | Re appointed as Managing Director & CEO for a period of 3 years effective from 01.12.2015 |
| Salary | Upto Rs. 72,00,000/- per annum (Rupees Seventy Two Lacs only) or such sum as may be determined by board/committee from time to time within the limits as prescribed under the Act or any amendments thereto |
| Bonus (Annual) | Such sum as decided by Board /committee from time to time |
| Perquisites , allowances & other benefits | Rs 6,00,000/- (Rupees Six Lacs only) per annum or such sum as may be determined by board/committee from time to time within the limits as prescribed under the Act or any amendments thereto |
| Annual Increments | As may be determined by Board or NRC , subject to condition that aggregate increase of remuneration by annual increments during his tenure shall not exceed the limits prescribed |
| Company's car with driver | Use of Company's car with driver for the business of the company |
| Retirement & other benefits | As per rules of the company |
| Gratuity | Shall not exceed half month's salary for each completed year of service. |
| Telephone, cell phone, computer system and other communication facilities at residence | At actual for the business of the company |
| Notice period | One month |
| Overall ceiling Limit as per PART II section II(A) as per Schedule V | Not exceeding the overall limits of Rs 84,00,000 p.a during the tenure of appointment |

All details of remuneration paid to directors are also given in MGT 9.

6) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

a) Brief description of terms of reference:

The Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015. The committee consists of the three non executive directors as members. The Committee met as and when required during the year. The committee met twice in the year 2015-2016 on 1st May 2015 and 14th January 2016. The review of activities of Share Transfer Agent is undertaken quarterly by the Company Secretary. The terms of reference of the committee are:

- Consider & Resolve the Grievances of Security holders including complaints related to transfer of shares, non receipt of balance sheet, non receipt of declared dividends
- Transfer & transmission of shares
- Issue of duplicate shares
- Exchange of new design share certificates
- Recording dematerialization & rematerialization of shares & related matters.

b) Composition, meeting and attendance during the year:

| Name of member | Category | Dates of Meeting & Attendance | |
|----------------------------|--------------------------------------|-------------------------------|------------|
| | | 01.05.2015 | 14.01.2016 |
| Mr. R.S.Agarwal | Chairman , Non Executive Independent | ✓ | ✓ |
| Mr. K.K.Saraf | Member , Non Executive | ✓ | ✓ |
| Mr Kashi Prasad Khandelwal | Member , Non Executive Independent | ✓ | ✓ |

Compliance Officer: Ms Anju Mundhra, the Executive Director (Legal) & Company Secretary of the company is the Compliance Officer of the Company.

Grievances Details:

| Particulars | 2015-2016 |
|--|-----------|
| Number of complaint at the beginning of the year | Nil |
| Number of Shareholder's Complaints received during the year | Nil |
| Number of complaint not solved to the satisfaction of shareholders | Nil |
| Number of pending complaints at the end of the year | Nil |

7) RISK MANAGEMENT:

The company is not required to formulate the Risk management committee but it has laid down a well defined risk management mechanism covering the risk analysis, risk exposure and risk mitigation process. It has in place the Risk management policy, which carries out to identify, evaluate, manage and monitor the business and non business risk. The board periodically reviews the risk and suggests steps to be taken to control and mitigate the same. The policy identifies and asses the key risk area, monitor and report compliance and effectiveness of the policy and procedure. The purpose of this policy is to address unanticipated and unintended losses to the human resources, financial assets and property of the Organization without unnecessarily limiting the activities that advance the Organization's mission and goals. The following broad categories of risks have been considered in our risk management framework:

Market Risk: Risks emanating out of the choices we make on markets, resources and delivery model that can potentially impact our long-term competitive advantage.

Operational Risk: Risks inherent to business operations including those relating to client acquisition, service delivery to clients, business support activities, information security, physical security and business activity disruptions.

Interest Risk: Interest rate risk is the risk where changes in market interest rates might adversely affect an NBFC's financial condition.

Credit Risk : Ownership structure could have a key influence on an NBFC's credit profile in that a strong promoter and strategic fit with the promoter can benefit an NBFC's earning, liquidity and capitalization, and hence its credit profile.

Liquidity Risk: Measuring and managing liquidity needs are vital for effective operation of company. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system.

Human Resource Risk: ACCL Human Resource adds value to the entire company by ensuring that the right person is assigned to the right job and that they grow and contribute towards organizational excellence.

Regulations and compliance: The Company is exposed to risk attached to various statutes and regulations.

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8) GENERAL BODY MEETINGS:

a) The details of last three Annual General Meetings held:

| Year | Date | Venue | Time | Number of Special resolutions passed |
|---------|---------------------|--|------------|--------------------------------------|
| 2014-15 | 31st July, 2015 | " TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor Kolkata-700020 | 11.30 A.M | 2 (Two) |
| 2013-14 | 2nd September, 2014 | " TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor Kolkata-700020 | 11.30 A.M | 5 (Five) |
| 2012-13 | 26th July, 2013 | " TRINITY ", 226/1 A.J.C. Bose Road, 7th Floor Kolkata-700020 | 10.00 A.M. | Nil |

No Special resolution was through postal ballot during the year 2015-16.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

9) MEANS OF COMMUNICATION:

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within 60 (sixty) days from the close of the financial year as per the requirements of the erstwhile Listing Agreement with the Stock Exchanges. The aforesaid results are sent to the stock exchanges where the company shares are listed and traded as soon as approved by board.
- All material information relating to the company which are potentially price sensitive in nature matters or which could impact the continuity of the information publicly available for the company are disclosed to stock exchange as per the Company's Policy on Material Information.
- The quarterly, half yearly and Annual Financial Results of the company are published in the newspaper in India which includes Business Standards (English) – All India Edition and in Arthik Lipi, vernacular newspaper (Bengali).
- The quarterly, half yearly and Annual Financial Results of the company along with Annual Report and other statutory filings are posted on the website of the company www.ashikagroup.com. The website also contains information on the businesses of the Company, governance and important policies of the Company.
- New and press release as available are posted on the website of the company. During the year under review there were no such news releases.
- As the company does not have any institutional investors and angel investors, so the said clause is not applicable and will be complied if in the course of action it attracts.
- The Management Discussion and Analysis Report form a part of the Annual Report.
- A Certificate on Compliance of conditions of Corporate Governance issued by Practicing Company Secretary is annexed with the Report.
- The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint. During the year, the Company has not received any investor complaints through SCORES.

10) GENERAL SHAREHOLDER INFORMATION:

- a) Annual General Meeting - date, time and venue : Monday, the 8th day of August 2016, at 11am
Trinity, 226/1, A.J.C.Bose Road,
Kolkata – 700020
- b) Date of book Closure : 2nd August 2016 to 8th August 2016
(both days inclusive)

- c) Financial Year : 1st April 2015 to 31st March 2016
d) Dividend payment date : The board has not recommended any dividend for the year under review

e) Listing on Stock Exchange:

| Sl. No. | Name of Stock Exchange | Address(s) | Script code / symbol |
|---------|--------------------------------------|--|--------------------------------------|
| 1 | The Calcutta Stock Exchange Limited | 7, Lyons Range Kolkata 700001 | 11591 & 10011591 |
| 2 | Metropolitan Stock Exchange Limited | Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai- 400093 | ASHIKA |
| 3 | BSE Limited (traded under permitted) | Phiroze Jeejeebhoy Towers, Dalal Street, securities category) | 590122 (ASHIKACR) Mumbai – 400001 |

- f) Listing Fees to Stock Exchanges : The Annual Listing Fees for the year 2015-16 have been paid to all the stock Exchanges where securities of the company are listed.
- g) Annual Custody Fees to Depositories : The Company has paid Annual Custody Fees for the year 2015-16 to both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- h) International Securities Identification Number (ISIN) of the Company : INE094B01013.
INE094B01011 (Partly paid ISIN)
- i) Corporate Identification Number (CIN) : L67120WB1994PLC062159
- j) Registered office address : Trinity, 7th Floor, 226/1, A.J.C. Bose Road, Kolkata – 700020
Tel : (033) 40102500/22839952, Fax : (033) 22891555
Website : www.ashikagroup.com
Email : secretarial@ashikagroup.com
- k) Branch office address : 7, B.B.Ganguly Street, 4th Floor, Kolkata – 700012
Email : secretarial@ashikagroup.com
- l) Market Price Data

The high / low market prices of the shares during the year 2015-2016 at the exchanges were as under:-

(in ₹)

| Month | CSE | | MCX-SX | | BSE | |
|-----------------|------|-----|--------|-----|-------|-------|
| | High | Low | High | Low | High | Low |
| April, 2015 | — | — | — | — | 54.80 | 33.05 |
| May, 2015 | — | — | — | — | 49.00 | 33.30 |
| June, 2015 | — | — | — | — | 49.15 | 30.05 |
| July, 2015 | — | — | — | — | 46.05 | 31.00 |
| August, 2015 | — | — | — | — | 38.20 | 26.50 |
| September, 2015 | — | — | — | — | 36.10 | 23.10 |
| October, 2015 | — | — | — | — | 35.00 | 24.85 |
| November, 2015 | — | — | — | — | 33.50 | 19.60 |
| December, 2015 | — | — | — | — | 36.30 | 21.00 |
| January, 2016 | — | — | — | — | 32.35 | 28.00 |
| February, 2016 | — | — | — | — | 31.05 | 27.50 |
| March, 2016 | — | — | — | — | 31.00 | 29.85 |

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- m) Registrar and Transfer Agents : Maheswari Datamatics Pvt Ltd (MDPL)
 6, Mangoe Lane, 2nd Floor,
 Kolkata – 700001.
 Tel: 91-33-22482248, 22435029/ 5809
 Fax no: 91-33-2248 4787
 Email : mdpldc@yahoo.com.
- n) Share transfer system :
- **Share Transfer:** Approx 97 % of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with MDPL at the above mentioned addresses. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The transfer of share is approved by the Committee, which are noted at subsequent board meetings.
 - Members who hold shares in dematerialized form should correspond with the Depository participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company or Share Transfer Agent.
 - Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Company.
 - **Furnish copies of Permanent Account Number (PAN):** The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and Prevention of Money Laundering Act, 2002 for transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
 - **Nomination facility for shareholding:** As per the provisions of the Companies Act, 2013, facility for making nomination is available for members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

- o) Category-wise shareholding pattern as on March 31, 2016

| Sr. No. | Category | No. of Shares | % holding |
|---------|---------------------------|------------------|------------|
| 1 | Promoter & promoter Group | 1,855,900 | 26.5325 |
| 2 | Institution – Public | Nil | Nil |
| 3 | Body Corporate - Public | 4,255,629 | 60.8396 |
| 4 | Individual - Public | 878,437 | 12.5584 |
| 5 | Clearing member | 4,525 | 0.0647 |
| 6 | Non Resident Individual | 335 | 0.0048 |
| | Total | 6,994,826 | 100 |

- p) Distribution of Shareholding as on March 31, 2016

| Slab of shareholding | Number of Shareholders | % to total no of Shareholders | Number of Shares | % to total no of Shares |
|----------------------|------------------------|-------------------------------|------------------|-------------------------|
| 500 | 646 | 77.9252 | 30,738 | 0.4394 |
| 501-1000 | 30 | 3.6188 | 25,583 | 0.3657 |
| 1001-2000 | 38 | 4.5838 | 66,817 | 0.9552 |
| 2001-3000 | 7 | 0.8444 | 18,463 | 0.2640 |
| 3001-4000 | 10 | 1.2063 | 37,831 | 0.5408 |
| 4001-5,000 | 7 | 0.8444 | 33,716 | 0.4820 |
| 5001-10000 | 17 | 2.0507 | 141,504 | 2.0230 |
| Above 10001 | 64 | 8.9264 | 6,640,174 | 94.9298 |
| | Total | 100 | 6,994,826 | 100 |

- q) Dematerialization of shares and liquidity : About 97.23 % of total equity share capital is held in dematerialized form as on 31st March 2016. The Company's shares are available for trading in the depository system of both NSDL and CDSL.
- r) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity : None
- s) Commodity price risk or foreign exchange risk and hedging activities : None
- t) Plant locations : None
- u) Address for correspondence:

| Company Address | Registrar and Share Transfer Agent |
|--|---|
| Secretarial Department Ms. Anju Mundhra Executive Director (Legal) & Company Secretary "Trinity", 7th floor, 226/1, A.J.C. Bose Road Kolkata – 700 020. Tel No. (033) 40102500 Fax No. (033) 2289-1555 Email : anjulohia@ashikagroup.com secretarial@ashikagroup.com | Maheshwari Datamatics Private Limited 6, Mango Lane, 2nd Floor, Kolkata – 700001 Tel no: 91-33-2243 5029/5809, 2248 2248 Fax no: 91-33-2248 4787 Email: mdpldc@yahoo.com |

- v) E-mail if grievances redressal division : investorservices@ashikagroup.com



Corporate Governance Report

11) OTHER DISCLOSURES:

(a) Materially significant Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on arms length basis and do not attract the provisions of Section 188(1) of the Companies Act, 2013. All the related party transactions were prior approved by the Audit Committee. During the year the Audit committee has granted omnibus approval for Related Party transactions as per the provisions and restrictions contained in the SEBI (LODR) Regulations, 2015 and Companies Act 2015.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Details of transactions with Related parties as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements of the Company. The board has adopted a policy on the Material Related Party Transaction and the same is uploaded on the website of the company http://www.ashikagroup.com/PDF/ASHIKA_RTP.pdf

(b) There was no such non-compliance by the listed entity. Further no penalties or strictures have been imposed on the company by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

(c) Establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation:

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Whistle-Blower Policy for establishing a vigil mechanism for directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. It also provides for adequate safeguards against victimization of employees & directors, who avail of the mechanism, and also allows direct access to the Chairperson of the audit committee in exceptional cases. The Company has framed a Whistle Blower Policy / Vigil mechanism to deal with instances of fraud and mismanagement, if any. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy has

been hosted on the website (www.ashikagroup.com) of the Company.

As per the requirement of the clause, Mr. Pawan Jain, Managing Director & CEO and Mr. Sagar Jain Chairman of Audit Committee has affirmed that that there stood no complaint in regard to the said clause.

(d) The company has complied with all mandatory requirements as per Listing Regulation. Further the company has adopted various non mandatory requirements as disclosed below:

- **The Board :** The Company does not have non executive chairman, so it does not maintain such office.
- **Shareholder Rights :** As the quarterly and half year financial results are published in the newspaper, send to stock changes and uploaded on the website of the company, so the same are not being send to shareholders.
- **Audit Qualification:** The financial statements for the year ended on 31st March 2016 does not contain any audit qualification.
- **Reporting of Internal Auditor :** The Internal Auditor is a permanent invitee to the Audit Committee meeting and reports their finding to the Audit Committee

(e) Determining 'Material Subsidiaries':

During the year ended 31st March, 2016, the Company does not have any material listed/unlisted subsidiary companies as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; therefore the company has not formed as of now any such policy on Material Subsidiaries.

(f) The company did not engage in the commodity hedging activities during the year under review.

(g) The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Listing Regulation.

(h) Business Risk Evaluation and Management is an ongoing process within the company. The company has been addressing various risks impacting the company and the policy of the company on risk management is uploaded on the website of the company .

(i) Listing Agreement : SEBI has replaced the existing Listing Agreement with the new SEBI (Listing Obligation

and Disclosure Requirement) 2015 issued on September 02, 2015 and was effective from December 01, 2015 . The said new Listing Regulation was introduced with the aim to consolidate and streamline the provision of Listing Agreement for different segments of capital market to ensure better enforceability. Accordingly all listed entities were required to enter into the new Listing Agreement within six months from the effective date. Your company entered into new Listing Agreement with Calcutta Stock Exchange Limited and Metropolitan Stock Exchange Limited.

- 12)** There has been no such non-compliance of any requirement of Corporate Governance Report.
- 13)** The company has fully complied with the Applicable requirements specified under regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (LODR) Regulation 2015. The disclosure of the said has been made in the section of this Corporate Governance Report.

14) CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT PERSONNEL:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel and the said code is uploaded on the website of the company at (http://www.ashikagroup.com/PDF/Code_of_Conduct.pdf). All the Board members and senior management personnel have confirmed compliance with the code .Affirmation regarding compliance of the Code of Conduct by the CEO of the Company has been published elsewhere in this Annual Report.

15) CEO / CFO CERTIFICATION :

The Chairman and Managing Director; and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31st March, 2015.

16) RECONCILIATION OF SHARE CAPITAL AUDIT:

The Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

17) POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT:

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company believes to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases.

The Company has put in place a 'Policy on Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his / her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wished to register a complaint under the policy, during the year. There has no case placed before the committee. The said policy is hosted on the website of the company (<http://www.ashikagroup.com/PDF/sexual%20harassment%20policy-ACCL.pdf>)

18) POLICY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR MAKING DISCLOSURES TO STOCK EXCHANGES:

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company have approved the Policy for determining materiality of an event or information and for making disclosures to Stock Exchanges which is effective from December 1, 2015 and same is available on the website of the company at http://www.ashikagroup.com/PDF/Policy_for_Determination_of_Materiality_for_Discoveries_of_any_events_or_information.pdf. The Board of Directors of the Company have authorized The Chief Executive Officer and Chief Financial Officer of the Company to determine materiality of an event or information and Company secretary & Chief Financial Officer for making disclosures to Stock Exchanges under the said regulation.

19) CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, during the year, approved and adopted the " Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". The Code has also been hosted on the website of the Company, (http://www.ashikagroup.com/PDF/Code_of_Practice_and_Procedure_for_Fair_Discovery_of_Unpublished_Price_Sensitive_Information_new.pdf).

Corporate Governance Report

20) PROHIBITION OF INSIDER TRADING:

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) the Company has adopted a Code of Conduct for regulating, monitoring and reporting of Trading by Insider with a view to regulate trading in securities by the Directors and designated employees of the Company. This policy also provides for periodical disclosures from designated employees as well as preclearance of transactions by such persons . The Compliance Officer is responsible for implementation of the Code. During the year under review there has been due compliance with the said code. All Board Directors and the designated employees have confirmed compliance with the Code. The said code is available on the website of the company.

21) COMPLIANCE WITH ACCOUNTING STANDARD :

The company has followed all relevant Accounting Standards notified by the Companies (Accounting Standard) Rules 2006, while preparing the Financial Statements.

- 22) None of shares of the company are lying in the demat suspense account or unclaimed suspense account.

For, Ashika Credit Capital Ltd

(Pawan Jain)

Place : Kolkata

Date: 29.05.2016

Chairman & Managing Director

DIN : 00038076

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]

We, Pawan Jain, Managing Director and Chief Executive Officer and Mr. Amit Jain, Chief Financial Officer of Ashika Credit Capital Limited , undersigned do hereby certify the following:

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours sincerely,

(Pawan Jain)
Chief Executive Officer

(Amit Jain)
Chief Financial Officer

Date: 29.05.2016
Place: Kolkata

COMPANY SECRETARY CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Ashika Credit Capital Limited

1. We have examined the compliance of conditions of Corporate Governance by Ashika Credit Capital Limited (hereinafter called the Company) for the Financial Year ended on 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MR & Associates
Company Secretaries

M R Goenka
Partner
FCS No: 4515
C P No.: 2551

Place: Kolkata
Date: 29.05.2016

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER DECLARATION

TO
The members of Ashika Credit Capital Ltd.

I , Pawan Jain, Managing Director & CEO of Ashika Credit Capital Limited do hereby confirm that all the member of Board and Senior Management Personnel have affirmed compliance with Code of Conduct.

For Ashika Credit Capital Ltd

Place: Kolkata
Date : 29.05.2016

(Pawan Jain)
Managing Director & CEO
DIN : 00038076

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Members of
Ashika Credit Capital Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Ashika Credit Capital Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure – A', a statement on the matters specified in the para 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- (e) on the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 20 to the financial statements;

- ii) the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **P. K. SAH & ASSOCIATES**

Chartered Accountants

Firm Registration No. 322271E

(P. K. Sah, FCA)

Partner

Membership No. 056216

Place : Kolkata

Date : 29th May, 2016

Independent Auditor's Report

'Annexure – A' to the Independent Auditor's Report

Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Ashika Credit Capital Limited:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As per the information and explanations given to us fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the following title deeds of immovable properties are not held in the name of the Company

| Particulars | Total Number of cases | Gross Block as at 31.03.2016 | Net Block as at 31.03.2016 | Remarks |
|-------------|-----------------------|------------------------------|----------------------------|--|
| Buildings | 1 | 1,562,394 | 1,375,782 | Property allotted by developer and possession taken pending registration |

- (ii) Since the Company does not hold any physical inventory, para 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans two bodies corporate covered in the register maintained under section 189 of the Act, which has been returned within the year.
 - (a) The terms and conditions of the grant of such loans were not prejudicial to the company's interest;
 - (b) No schedule for repayment of principal and interest has been stipulated as the loans were repayable on demand;
 - (c) There are no overdue amounts in respect of the loan granted for more than ninety days.
- (iv) According to the information and explanations given to us and on the basis of examination of the records of the Company, the provision of Section 185 of the Act are not applicable to the Company and the Company has complied the provision of Section 186 of the Act, with respect to the loans, investments, guarantee and security made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The provisions relating to maintenance of cost records as referred to in Section 148(1) of the Act are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and any other statutory dues, whatever applicable to it, with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales-tax, duty of customs, duty of excise, value added tax; According to the information and explanations given to us, there is no undisputed amount payable in respect of such statutory dues, which were in arrears as at the last day of the financial year concerned for a period of more than six months from the date they become payable;

- (b) According to the information and explanations given to us, there are no dues of sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute. However, according to the information and explanations given to us the following dues of income tax has not been deposited by the Company on account of dispute :

| Name of Statute | Nature of Dues | Amount (Rs.) | Period to which amount relates | Forum where the dispute is pending |
|-----------------|----------------|-----------------------------|--------------------------------|------------------------------------|
| Income Tax Act | Income Tax | 3,14,820/- (net of payment) | Fin. Yr. 2010-11 | CIT Appeals, Kolkata |

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, para 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, para 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, para 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, para 3(xv) of the Order is not applicable.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934.

For P. K. SAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 322271E

Place : Kolkata
Date : 29th May, 2016

(P. K. Sah, FCA)
Partner
Membership No. 056216

'Annexure – B' to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act') – Refereed to in Paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Ashika Credit Capital Limited

We have audited the internal financial controls over financial reporting of Ashika Credit Capital Limited ('the Company') as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained

and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

Independent Auditor's Report

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P. K. SAH & ASSOCIATES**

Chartered Accountants

Firm Registration No. 322271E

(**P. K. Sah**, FCA)

Partner

Membership No. 056216

Place : Kolkata

Date : 29th May, 2016

Balance Sheet as at 31st March, 2016

(in ₹)

| | Note | As at 31st March, 2016 | As at 31st March, 2015 |
|---|------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 69,964,955 | 69,964,955 |
| Reserves and Surplus | 3 | 145,871,349 | 205,708,183 |
| | | 215,836,304 | 275,673,138 |
| Non- Current Liabilities | | | |
| Long Term Provisions | 4 | 82,144,241 | 20,677,520 |
| Current Liabilities | | | |
| Trade Payables | 5 | 668,027 | 125,020 |
| Other Current Liabilities | 6 | 3,658,177 | 741,262 |
| Short Term Provisions | 4 | 905,261 | 258,680 |
| | | 5,231,465 | 1,124,962 |
| Total | | 303,212,010 | 297,475,620 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| - Tangible Assets | 7 | 1,916,373 | 1,950,955 |
| Non - Current Investments | 8 | 2,347,598 | 32,201,450 |
| Deferred Tax Assets (Net) | 9 | 29,476,605 | 7,951,513 |
| Long Term Loans & Advances | 10 | 7,417,958 | 4,557,958 |
| Other Non - Current Assets | 11 | 12,300 | 12,300 |
| | | 41,170,834 | 46,674,176 |
| Current Assets | | | |
| Current Investments | 12 | 88,168,038 | - |
| Cash & Bank Balances | 13 | 4,693,854 | 63,119,954 |
| Short Term Loans & Advances | 10 | 169,179,284 | 187,104,900 |
| Other Current Assets | 11 | - | 576,590 |
| | | 262,041,176 | 250,801,444 |
| Total | | 303,212,010 | 297,475,620 |
| Significant Accounting Policies | 1.1 | | |
| The accompanying notes 1 to 28 are an integral part of the Financial Statements | | | |

As per our report of even date attached

For P. K. SAH & ASSOCIATES

Chartered Accountants

Firm Registration No. 322271E

For and on behalf of the Board

(P. K. Sah, FCA)

Partner

Membership No. 056216

Pawan Jain
(Managing Director
& Chief Executive Officer)

Sagar Jain
(Director)

Place: Kolkata

Date: 29th May, 2016

Anju Mundhra
(Executive Director - Legal
& Company Secretary)

Amit Jain
(Chief Financial Officer)

Financial Statements

Statement of Profit & Loss for the year ended 31st March, 2016

(in ₹)

| | Note | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|---|------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue From Operations | 14 | 21,399,044 | 31,157,087 |
| Other Income | 15 | 208,161 | 123,318 |
| Total Revenue | | 21,607,205 | 31,280,405 |
| EXPENSES | | | |
| Loss from Trading in Derivatives in Equity & Currency | | - | 10,908,482 |
| Loss from Intraday Trading in Shares | | 531,681 | - |
| Finance Costs | 16 | - | 1,963,827 |
| Employee Benefit Expenses | 17 | 8,306,188 | 4,347,570 |
| Depreciation Expenses | 7 | 34,582 | 34,488 |
| Other Expenses | 18 | 3,255,796 | 3,200,488 |
| Provisions | 19 | 90,559,652 | - |
| Total Expenses | | 102,687,899 | 20,454,855 |
| Profit / (Loss) Before Tax | | (81,080,694) | 10,825,550 |
| Less : Tax Expenses | | | |
| - Current Tax | | 1,850,251 | 2,069,948 |
| - MAT Credit Entitlement | | (1,571,563) | (2,069,948) |
| - Deferred Tax (Assets) / Liabilities | | (21,525,092) | 1,538,587 |
| - Tax relating to earlier year | | 2,544 | (10,470) |
| Profit / (Loss) for the Year | | (59,836,834) | 9,297,433 |
| Earnings per Equity Share of Rs. 10/- each (Basic and Diluted) | 20 | (8.55) | 1.33 |
| Significant Accounting Policies | 1.1 | | |
| The accompanying notes 1 to 28 are an integral part of the Financial Statements | | | |

As per our report of even date attached

For P. K. SAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 322271E

(P. K. Sah, FCA)
Partner
Membership No. 056216

Place: Kolkata
Date: 29th May, 2016

For and on behalf of the Board

Pawan Jain
(Managing Director
& Chief Executive Officer)

Sagar Jain
(Director)

Anju Mundhra
(Executive Director - Legal
& Company Secretary)

Amit Jain
(Chief Financial Officer)

Cash Flow Statement For the year ended on 31st March, 2016

(in ₹)

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|--|--------------------------------|--------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Profit Before Tax | (81,080,694) | 10,825,550 |
| Adjustments for : | | |
| Depreciation Expenses | 34,582 | 34,488 |
| Provision for Gratuity | 230,203 | 403,125 |
| Provision for Privilege Leave | 51,069 | 25,402 |
| Interest on NPA reversed | 576,590 | - |
| Provision for Non-Performing Assets | 61,196,590 | - |
| Contingent Provision against Standard Assets written back | (58,361) | (121,663) |
| Provision against Current Investments | 29,363,062 | - |
| (Profit) / Loss on sale / redemption of Non- Current / Current Investments | (6,568,452) | (2,723,516) |
| Dividned Income | (135,000) | - |
| Finance Costs | - | 1,963,827 |
| Operating Profit Before Working Capital Changes | 3,609,589 | 10,407,213 |
| Adjustments for : | | |
| Increase / (Decrease) in Trade Payables | 543,007 | (40,024) |
| Increase / (Decrease) in Other Current Liabilities | 3,417,197 | (64,344) |
| (Increase) / Decrease in Long Term Loans & Advances | (2,860,000) | 10,900,000 |
| (Increase) / Decrease in Short Term Loans & Advances | 18,420,307 | 37,554,539 |
| (Increase) / Decrease in Other Assets | 576,590 | 11,294,205 |
| Cash Generated From Operations | 23,706,690 | 70,051,589 |
| Adjustments for : | | |
| Finance Costs | - | (1,963,827) |
| Direct Tax Paid | (1,158,994) | (2,711,574) |
| Net Cash Generated from / (Used in) Operating Activities | 22,547,696 | 65,376,188 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Add / (Less) : | | |
| Proceeds from Sale / Redemption of Non - Current Investments | 221,986,998 | 284,486,916 |
| Purchase of Non- Current Investments | (187,561,275) | (313,496,850) |
| Proceeds from Sale of Current Investments | 345,308,159 | - |
| Purchase of Current Investments | (460,842,678) | - |
| Decrease in Fixed Deposits with Bank | - | 100,000,000 |
| Dividend Income | 135,000 | - |
| Net Cash Generated from / (Used in) Investing Activities | (80,973,796) | 70,990,066 |

Financial Statements

Cash Flow Statement For the year ended on 31st March, 2016 (contd.) (in ₹)

| Particulars | Year Ended 31st March, 2016 | Year Ended 31st March, 2015 |
|--|--------------------------------|--------------------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Add / (Less) : | | |
| Decrease in Short Term Borrowings | - | (75,130,691) |
| Net Cash Generated from / (Used in) Financing Activities | - | (75,130,691) |
| Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C) | (58,426,100) | 61,235,563 |
| Cash and Cash Equivalents at the Beginning of the Year | 63,119,954 | 1,884,391 |
| Cash and Cash Equivalents at the End of the Year | 4,693,854 | 63,119,954 |
| Notes : Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current year's classification. | | |

As per our report of even date attached

For P. K. SAH & ASSOCIATES

Chartered Accountants

Firm Registration No. 322271E

(P. K. Sah, FCA)

Partner

Membership No. 056216

Place: Kolkata

Date: 29th May, 2016

For and on behalf of the Board

Pawan Jain
(Managing Director
& Chief Executive Officer)

Sagar Jain
(Director)

Anju Mundhra
(Executive Director - Legal
& Company Secretary)

Amit Jain
(Chief Financial Officer)

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

1. Company Information

Ashika Credit Capital Limited (the Company) is a public limited company domiciled in India and incorporated under the Companies Act, 1956. It's shares are listed on The Calcutta Stock Exchange Limited since 20th September, 2000 and MCX Stock Exchange Ltd. w.e.f 3rd November, 2014 and also traded under the "permitted securities" category at the nationwide platform of BSE Ltd. since 11th November, 2011. The Company is a RBI registered Non - Deposit taking Non Banking Financial Company, carrying on NBFI activities. It is mainly engaged in the business of financing, providing loans and advances, inter-corporate deposits and investment & trading in shares and securities.

1.1 Significant Accounting Policies

(i) Basis of Accounting

- a) The financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act.
- b) The Company follows the directives prescribed by the Reserve Bank of India for Non Banking Financial Companies.
- c) The financial statements have been prepared under the historical cost convention on an accrual basis. However, income is not recognized and also provision is made in respect of non-performing assets as per the guidelines for prudential norms prescribed by the Reserve Bank of India. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

(ii) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expense during the reported period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting

estimates is recognized prospectively in current and future period.

(iii) Revenue Recognition

- a) Revenue from trading in securities / intraday transactions is accounted for on trade date basis.
- b) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- c) Dividend income is recognized when the company's right to receive payment is established by the reporting date.
- d) All other Incomes are accounted for on accrual basis.

(iv) Fixed Assets

Tangible Fixed Assets are stated at cost, less accumulated depreciation and impairment loss thereon, if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(v) Depreciation on Fixed Assets

Depreciation has been provided on the straight line method based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

(vi) Impairment of Fixed Assets

The carrying amounts of the assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on external or internal factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which is the greater of the assets' net selling price and value in use. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period, if any, is reversed if there has been a change in the estimate of the recoverable amount.

(vii) Investments

Non-Current investments, those are intended to be held for a period of more than a year are considered at 'cost' on individual investment basis, unless there is a decline in the value other than temporary, in which case adequate provision is made against the diminution in the value of such investments.

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. Current investments are carried at lower of cost and market price determined category-wise.

(viii) Derivative Instruments

In accordance with the ICAI announcements, derivative contracts (other than foreign currency forward contracts covered under AS 11) is done based on the 'marked to market' principle, on a portfolio basis, and the net loss, if any, after considering the offsetting effect of underlying hedged items, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored as a matter of prudence.

(ix) Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earnings per Share is calculated by adjustment of all the effects of dilutive potential equity shares from the net profit or loss for the period attributed to equity shareholders and the weighted average numbers of shares outstanding during the period.

(x) Taxation

Tax expenses comprises of current tax (net of Minimum Alternate Tax credit entitlement) and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the period under the provisions of the Income Tax Act 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversible in one or more subsequent periods. Deferred tax assets are recognized and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset item will be realized. If the

company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realized.

(xi) Retirement Benefits:

- a) Employment benefits in the form of Provident Fund and Employee State Insurance are defined contribution plans and the Company's contribution, paid or payable during the reported period, are charged to the statement of profit and loss.
- b) Gratuity liability is a defined benefit plan and is provided for on the basis of actuarial valuation on projected units credit method at the Balance Sheet date.
- c) Long Term compensated leave are provided for based on actuarial valuation as per projected unit credit method at the Balance Sheet date.
- d) Actuarial gain / losses are charged to the statement of profit and loss and are not deferred.

(xii) Segment Reporting

Based on the risks and returns associated with business operations and in terms of Accounting Standard -17 (Segment Reporting), the Company is predominantly engaged in a single reportable segment of 'Financial Services'.

(xiii) Provisions, Contingent Liabilities & Contingent Assets

A provision is recognized when the company has present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

NOTE - 2 : SHARE CAPITAL

(in ₹)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Authorised 20,250,000 Equity Shares of Rs.10/- each | 202,500,000 | 202,500,000 |
| Issued & Subscribed 7,001,000 Equity Shares of Rs.10/- each | 70,010,000 | 70,010,000 |
| Fully Paid Up 6,994,826 Equity Shares of Rs.10/- each <u>Add : 6,174 Forfeited Equity Shares</u> | 69,948,260 16,695 | 69,948,260 16,695 |
| | 69,964,955 | 69,964,955 |

a) Reconciliation of Equity Shares outstanding

| Equity Shares | As at 31st March, 2016 | | As at 31st March, 2015 | |
|-------------------------------|------------------------|-------------------|------------------------|-------------------|
| | Nos. | Rs. | Nos. | Rs. |
| At the beginning of the year | 6,994,826 | 69,948,260 | 6,994,826 | 69,948,260 |
| Add : Issued during the year | - | - | - | - |
| At the end of the year | 6,994,826 | 69,948,260 | 6,994,826 | 69,948,260 |

b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having par value of Rs.10/- per share. All these shares have the same right with respect to payment of dividend, repayment of capital and voting. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by them.

c) Details of shareholders holding more than 5% shares in the Company

| Name of the Shareholder | As at 31st March, 2016 | | As at 31st March, 2015 | |
|--|------------------------|---------------------------|------------------------|---------------------------|
| | Nos. | % holding in the class | Nos. | % holding in the class |
| Equity Shares of Rs.10/- each fully paid up | | | | |
| Pawan Jain (HUF) | 789,000 | 11.28 | 789,000 | 11.28 |
| Ashika Hedge Fund Pvt. Ltd. | 566,900 | 8.10 | 566,900 | 8.10 |
| Ashika Share Trading Pvt. Ltd. | 500,000 | 7.15 | 500,000 | 7.15 |

Financial Statements

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

NOTE - 3 : RESERVES AND SURPLUS

| | | (in ₹) | As at 31st March, 2016 | As at 31st March, 2015 |
|---|-----|----------------|---------------------------|---------------------------|
| Securities Premium Account | | | | |
| Balance as per last financial statements | (A) | | 209,187,000 | 209,187,000 |
| Statutory Reserves U/s 45IC of the RBI Act, 1934 | | | | |
| Balance as per last financial statements | | | 9,127,598 | 7,268,111 |
| Add : Transferred from surplus in the Statement of Profit and Loss | (B) | | - | 1,859,487 |
| Surplus / (Deficit) in the Statement of Profit and Loss | | | 9,127,598 | 9,127,598 |
| Balance as per last financial statements | | | (12,606,415) | (19,956,606) |
| Add : Profit / (Loss) for the year | | | (59,836,834) | 9,297,433 |
| Less : Transferred to Statutory Reserves U/s 45IC of the RBI Act, 1934 | | | - | 1,859,487 |
| Less : Transitional effect of depreciation on fixed assets as per Companies Act, 2013 as on 1st April, 2014. (net of deferred tax) | (C) | | - | 87,755 |
| | | (A+B+C) | 145,871,349 | 205,708,183 |

NOTE - 4 : PROVISIONS

| | Long - Term | | Short - Term | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 | As at 31st March, 2016 | As at 31st March, 2015 |
| Provision for Employees Benefits | | | | |
| Gratuity | 697,959 | 478,559 | 37,370 | 26,567 |
| Previlege Leave | 96,282 | 45,551 | 3,976 | 3,638 |
| | (A) | 794,241 | 524,110 | 41,346 |
| Others | | | | |
| Provision for Income Tax | - | - | 693,801 | - |
| Provision for Non Performing Assets | 81,350,000 | 20,153,410 | - | - |
| Contingent Provision against Standard Assets | - | - | 170,114 | 228,475 |
| | (B) | 81,350,000 | 20,153,410 | 863,915 |
| | (A+B) | 82,144,241 | 20,677,520 | 905,261 |
| | | | | 258,680 |

Nature of certain provisions and their movement

Provision for non-performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company creates a general provision at 0.25 % of the standard assets outstanding on the balance sheet date, as per the RBI Prudential Norms.

The following table sets forth the movement of aforesaid Provisions

| Particulars | Provisions for NPAs | | Contingent Provision against Standard Assets | |
|--|---------------------|-------------------|--|------------------|
| | Year ended | | Year ended | |
| | 31st March, 2016 | 31st March, 2015 | 31st March, 2016 | 31st March, 2015 |
| Opening Balance | 20,153,410 | 20,153,410 | 228,475 | 350,138 |
| Provisions/(Reversals) during the year | 61,196,590 | - | (58,361) | (121,663) |
| Closing Balance | 81,350,000 | 20,153,410 | 170,114 | 228,475 |

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

NOTE - 5 : TRADE PAYABLES

(in ₹)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| - Due to Micro Enterprises & Small Enterprises * | - | - |
| - Due to Others <ul style="list-style-type: none"> - Due to Related Party - Due to Others | 288,584 379,443 | - 125,020 |
| | 668,027 | 125,020 |

* Based on the information/ documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provisions/ payments have been made by the Company to such creditors and no disclosures thereof are made in these financial statements.

NOTE - 6 : OTHER CURRENT LIABILITIES

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------|---------------------------|
| Mark to Mark Margin on Derivatives Contracts | 2,293,838 | - |
| Statutory Dues | 452,686 | 42,043 |
| Payable to Employees | 908,108 | 195,392 |
| Other Liabilities | 3,545 | 503,827 |
| | 3,658,177 | 741,262 |

NOTE - 8 : NON - CURRENT INVESTMENTS

| | As at 31st March, 2016 | As at 31st March, 2015 |
|--|---------------------------------|---------------------------|
| Other Investments - At Cost | | |
| Investments in Equity Instruments | | |
| Shares at Rs. 10/- each fully paid up (Quoted) Nil (P.Y. 4,298) Inox Wind Ltd. (A) | 1,396,850 | |
| Shares at Rs. 10/- each fully paid up (Unquoted) 62,610 (P.Y. Nil) Shishir Exports Pvt. Ltd. 1,298 (P.Y. Nil) Maniratnam Residential Welfare Association (B) | 1,878,300 1,298 1,879,598 | - - - |
| Investment in Government Securities (Unquoted) 12.3% Government of India Stocks (Face Value Rs. 4,00,000/-) (C) | 468,000 | 468,000 |
| Investments in Units of Mutual Funds (Unquoted) | | |
| Nil (P.Y. 1,052,191.925) HDFC Cash Management Fund (D) | 30,336,600 | |
| (A+B+C+D) | 2,347,598 | 32,201,450 |
| Aggregate Amount of Quoted Non- Current Investments - At Cost - At Market value | - - | 1,396,850 1,396,850 |
| Aggregate Amount of Unquoted Non- Current Investments - At Cost | 2,347,598 | 30,804,600 |

Financial Statements

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

Notes:

- (i) Buildings includes premises having gross value of Rs. 1,562,394/- (P.Y.Rs. 1,562,394/-) and net value of Rs. 1,375,782/- (P.Y. 1,425,147/-) for which registration is pending.

(ii) None of the Company's fixed assets are considered impaired as on the balance sheet date.

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

NOTE - 9 : DEFERRED TAX ASSETS (NET)

(in ₹)

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Deferred Tax Assets | | |
| Carried Forward Business Loss | - | 1,135,458 |
| Carried Forward Unabsorbed Depreciation | - | 38,050 |
| Provision of Gratuity | 221,260 | 163,888 |
| Provision for Privilege Leave | 30,168 | 15,959 |
| Provision against Current Investments | 4,536,593 | - |
| Income derecognised on Non-performing Assets | 173,496 | - |
| Contingent Provision against Standard Assets | 51,187 | 74,129 |
| Provisions for Non-Performing Assets | 24,478,215 | 6,538,774 |
| | (A) | 29,490,919 |
| | | 7,966,258 |
| Deferred Tax Liabilities | | |
| Difference between tax depreciation and book depreciation on fixed assets | (B) | 14,314 |
| | | 14,745 |
| Deferred Tax Assets (Net) | (A-B) | 29,476,605 |
| | | 7,951,513 |

NOTE - 10 : LOANS & ADVANCES

| | Long - Term | | Short - Term | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 | As at 31st March, 2016 | As at 31st March, 2015 |
| Considered good, unless otherwise stated | | | | |
| Capital Advances, Unsecured | 7,292,515 | 4,492,515 | - | - |
| Security Deposits, Unsecured | 125,443 | 65,443 | - | - |
| Loans | | | | |
| - Secured | - | - | 22,770,516 | 20,000,000 |
| - Unsecured | - | - | 129,775,178 | 151,427,147 |
| Margin Deposits with Related Party, Unsecured | - | - | - | 200,000 |
| Other Loans & Advances, Unsecured | | | | |
| Balance with Government Authorities | | | | |
| - Income Tax Payment (net of provisions) | - | - | 12,402,628 | 12,902,910 |
| MAT Credit Entitlement | - | - | 4,134,462 | 2,562,899 |
| Prepaid Expenses | - | - | 11,147 | 11,944 |
| Other Advances | - | - | 85,353 | - |
| | 7,417,958 | 4,557,958 | 169,179,284 | 187,104,900 |

Note : (a) Secured Loans are secured by pledge of equity shares of the borrowers.

(b) Unsecured Loans includes Non - Performing Assets of Rs. 84,500,000/- (Previous year - Rs. 80,613,640/-).

Financial Statements

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

NOTE - 11 : OTHER ASSETS

(in ₹)

| | Long - Term | | Short - Term | |
|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 | As at 31st March, 2016 | As at 31st March, 2015 |
| Unsecured, considered good | | | | |
| Interest Accrued but not due : | | | | |
| On Govt. Securities | 12,300 | 12,300 | - | - |
| On Loans | - | - | - | 576,590 |
| | 12,300 | 12,300 | - | 576,590 |

NOTE - 12 : CURRENT INVESTMENTS

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Investments in Equity Instruments | | |
| Shares at Rs. 10/- each fully paid up (Quoted) | | |
| 25,000 (P.Y. Nil) Orchid Pharma Limited | 1,599,673 | - |
| 950 (P.Y. Nil) Lux Industries Limited | 3,419,242 | - |
| 20,000 (P.Y. Nil) Stel Holding Ltd. | 749,229 | - |
| 2,000 (P.Y. Nil) Balmer Lawrie & Co. Ltd. | 1,177,683 | - |
| 5,000 (P.Y. Nil) Prabhat Dairy Ltd. | 808,699 | - |
| 75,000 (P.Y. Nil) Adani Transmission Ltd. | 2,979,539 | - |
| 45,000 (P.Y. Nil) Sangam (India) Ltd. | 13,146,892 | - |
| 5,100 (P.Y. Nil) Gayatri Projects Ltd. | 3,766,166 | - |
| 1,000,000 (P.Y. Nil) MEP Infrastructure Developers Ltd. | 56,812,887 | - |
| Shares at Rs. 5/- each fully paid up (Quoted) | | |
| 5,65,000 (P.Y. Nil) Parsvnath Developers Ltd. | 11,992,122 | - |
| Shares at Rs. 2/- each fully paid up (Quoted) | | |
| 1,938 (P.Y. Nil) Somany Ceramics Ltd. | 782,836 | - |
| Shares at Rs. 1/- each fully paid up (Quoted) | | |
| 300,000 (P.Y. Nil) GVK Power & Infrastructure Ltd. | 2,704,622 | - |
| 25,000 (P.Y. Nil) B.L.Kashyap and Sons Ltd. | 435,894 | - |
| 700,000 (P.Y. Nil) Hindustan Construction Co. Ltd. | 17,155,614 | - |
| Less : Aggregate provision for diminution in value of current investments | 117,531,100 | - |
| | 29,363,062 | - |
| | 88,168,038 | - |
| Aggregate Amount of Quoted Current Investments - At Cost | 117,531,100 | - |
| - At Market value | 88,168,038 | - |

Note: Shares having carrying amount of Rs. 76,669,967/- are lying with stock broker M/s. Ashika Stock Broking Limited, as margin for trading exposures.

NOTE - 13 : CASH & BANK BALANCES

| | As at 31st March, 2016 | As at 31st March, 2015 |
|---|---------------------------|---------------------------|
| Cash and Cash Equivalents | | |
| Balances with Banks in Current Accounts | 4,560,768 | 62,771,108 |
| Cash in hand | 133,086 | 348,846 |
| | 4,693,854 | 63,119,954 |

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

NOTE - 14 : REVENUE FROM OPERATIONS

(in ₹)

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|---|--------------------------------|--------------------------------|
| Interest Income | | |
| - On Loans Granted | 14,454,827 | 26,567,092 |
| - On Deposits with Banks | - | 1,817,279 |
| - On Investment in Govt. Securities | 49,200 | 49,200 |
| Income from Other Financial Services | | |
| - Profit on Sale / Redemption - Non - Current Investments | 4,571,871 | 2,723,516 |
| - Profit on Sale - Current Investments | 1,996,581 | - |
| - Profit on Trading in Equity Derivatives | 191,565 | - |
| - Dividend on Shares | 135,000 | - |
| | 21,399,044 | 31,157,087 |

NOTE - 15 : OTHER INCOME

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|---|--------------------------------|--------------------------------|
| Contingent Provision against Standard Assets written back | 58,361 | 121,663 |
| Other Non - Operating Income | 149,800 | 1,655 |
| | 208,161 | 123,318 |

NOTE - 16 : FINANCE COSTS

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|---|--------------------------------|--------------------------------|
| Interest on Credit Facilities from Bank | - | 1,296,430 |
| Interest on Short Term Borrowings | - | 667,397 |
| | - | 1,963,827 |

NOTE - 17 : EMPLOYEE BENEFIT EXPENSES

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|--------------------------------------|--------------------------------|--------------------------------|
| Salary & Other Allowances | 6,773,946 | 3,362,002 |
| Bonus | 742,825 | 365,156 |
| Contribution to Provident Fund / ESI | 445,421 | 138,516 |
| Gratuity | 230,203 | 403,125 |
| Privilege Leave | 51,069 | 25,402 |
| Staff Welfare Expenses | 62,724 | 53,369 |
| | 8,306,188 | 4,347,570 |

Financial Statements

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

NOTE - 18 : OTHER EXPENSES

(in ₹)

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|--|--------------------------------|--------------------------------|
| Rent & Maintenance | 74,924 | 25,644 |
| Electricity Charges | 13,918 | 8,568 |
| Rates & Taxes | 26,116 | 26,363 |
| Advertisement | 152,647 | 149,951 |
| Travelling & Conveyance | 1,071,645 | 1,219,783 |
| Postage & Courier | 37,459 | 31,571 |
| Telephone / Mobile Expenses | 28,007 | 30,539 |
| Printing & Stationary | 118,655 | 110,964 |
| Professional Fees | 464,168 | 168,568 |
| Fees & Subscriptions | 189,621 | 374,377 |
| Interest on NPA Reversed | 576,590 | - |
| Directors' Sitting Fees | 117,000 | 127,000 |
| Auditors' Remuneration (see note - 21) | 167,053 | 150,002 |
| Business Promotion Expenses | 117,342 | 678,279 |
| Miscellaneous Expenses | 100,651 | 98,879 |
| | 3,255,796 | 3,200,488 |

NOTE - 19 : PROVISIONS

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|---|--------------------------------|--------------------------------|
| Provision for Non-Performing Assets (net) | 61,196,590 | - |
| Provision against Current Investments | 29,363,062 | - |
| | 90,559,652 | - |

NOTE - 20 : EARNINGS PER SHARE (EPS)

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|---|--------------------------------|--------------------------------|
| Profit / (Loss) after Tax (Rs.) | (59,836,834) | 9,297,433 |
| Weighted average number of Equity Shares (Nos.) | 6,994,826 | 6,994,826 |
| Nominal value of Equity Shares (Rs.) | 10 | 10 |
| Basic and Diluted Earnings per Share (Rs.) | (8.55) | 1.33 |

Note: Earnings per share are done in accordance with the Accounting Standard (AS) - 20 issued by ICAI

NOTE - 21 : AUDITORS' REMUNERATION

| | Year ended 31st March, 2016 | Year ended 31st March, 2015 |
|-----------------|--------------------------------|--------------------------------|
| Statutory Audit | 91,600 | 89,888 |
| Tax Audit | 22,900 | 22,472 |
| Other Services | 52,553 | 37,642 |
| | 167,053 | 150,002 |

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

22. CONTINGENT LIABILITIES :

Income Tax dispute under Appeal (net of payment) - Rs. 3,14,820/- (P.Y. 314,820/-).

23. DETAILS OF OUTSTANDING DERIVATIVE CONTRACTS :

(in ₹)

| Particulars | As at 31st March, 2016 | As at 31st March, 2015 |
|-------------------------------------|------------------------|------------------------|
| Outstanding Derivatives Contracts : | | |
| Contract Value | 2,293,838 | — |

24. EMPLOYEE BENEFITS:

(a) Defined Contribution Plan

(in ₹)

| Particulars | For the Year Ended 31st March, 2016 | For the Year Ended 31st March, 2015 |
|--|--|--|
| Contribution to Provident Fund | 428,849 | 133,842 |
| Contribution to Employee State Insurance | 16,572 | 4,674 |
| Total | 445,421 | 138,516 |

(b) Defined Benefit Plan

The Company has provided for gratuity & privilege leave benefits liability based on actuarial valuation done as per the projected unit credit method. The scheme is unfunded.

The following tables summarize the components of net benefit expenses recognized in the Statement of Profit and Loss and amounts recognized in the balance sheet for the respective plan.

(in ₹)

| Particulars | Gratuity | | Privilege Leave | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2016 | As at 31st March, 2015 | As at 31st March, 2016 | As at 31st March, 2015 |
| (i) Reconciliation of Opening and Closing balances of Present Value of Obligation: | | | | |
| Present Value of Obligation at the Beginning | 505,126 | 102,001 | 49,189 | 23,787 |
| Current service cost | 124,149 | 85,135 | 35,696 | 15,593 |
| Interest Cost | 49,754 | 24,285 | 5,994 | 2,919 |
| Benefits paid | - | - | - | - |
| Actuarial (gains)/losses on obligation | 56,300 | 293,705 | 9,379 | 6,890 |
| Present Value of Obligation at the End | 735,329 | 505,126 | 100,258 | 49,189 |
| (ii) Net Liability recognized in the Balance Sheet : | | | | |
| Present Value of Obligation | 735,329 | 505,126 | 100,258 | 49,189 |
| Fair value of Plan Assets | - | - | - | - |
| Net Liability - Non Current | (697,959) | (478,559) | (96,282) | (45,551) |
| - Current | (37,370) | (26,567) | (3,976) | (3,638) |

Financial Statements

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

(in ₹)

| | Particulars | Gratuity | | Privilege Leave | | | | | | |
|--|--|---|------------------------|---|------------------------|-----------|-----------|----------|----------|----------|
| | | As at 31st March, 2016 | As at 31st March, 2015 | As at 31st March, 2016 | As at 31st March, 2015 | | | | | |
| (iii) Expenses recognized in the Statement of Profit and Loss : | | | | | | | | | | |
| | Current service cost | 124,149 | 85,135 | 35,696 | 15,593 | | | | | |
| | Interest cost | 49,754 | 24,285 | 5,994 | 2,919 | | | | | |
| | Expected return on plan assets | - | - | - | - | | | | | |
| | Net Actuarial (gain) /loss recognized in the year | 56,300 | 293,705 | 9,379 | 6,890 | | | | | |
| | Net benefit expenses | 230,203 | 403,125 | 51,069 | 25,402 | | | | | |
| (iv) The Principal actuarial assumptions are as follows: | | | | | | | | | | |
| | Particulars | As at 31st March, 2016 | | As at 31st March, 2015 | | | | | | |
| | Discount rate (per annum) | 8.00 % | | 8.00 % | | | | | | |
| | Salary growth rate (per annum) | 6.00 % | | 5.00 % | | | | | | |
| | Withdrawal rates based on age (per annum) | Varying between 8 % and 1 % per annum depending upon the duration and age of the employees. | | | | | | | | |
| | Mortality | Indian Assured Lives Mortality (2006-2008) ultimate | | Indian Assured Lives Mortality (2006-2008) ultimate | | | | | | |
| (v) Other Disclosures : | | | | | | | | | | |
| | Particulars | Gratuity | | | Privilege Leave | | | | | |
| | | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| | Present Value of Obligation at the End | 735,329 | 505,126 | 102,001 | 223,343 | 182,529 | 100,258 | 49,189 | 23,787 | 12,924 |
| | Fair Value of Plan Assets | - | - | - | - | - | - | - | - | - |
| | Net assets (liability) recognised in balance sheet | (735,329) | (505,126) | (102,001) | (223,343) | (182,529) | (100,258) | (49,189) | (23,787) | (12,924) |
| | Experience adjustments on plan liabilities Gain / (Loss) | (33,715) | (12,108) | 184,301 | 39,465 | (73,789) | (9,216) | 1,193 | (8,111) | 5,676 |
| | Experience adjustments on plan assets Gain / (Loss) | - | - | - | - | - | - | - | - | - |

25. RELATED PARTIES DISCLOSURES

Related parties disclosures, as stipulated by Accounting Standard - 18 'Related Party Disclosures', issued by ICAI, are given below:

a) **List of Related Parties:**

i) Key Management Personnel:

Pawan Jain, *Managing Director & CEO*.

Anju Mundhra, *Executive Director - Legal & Company Secretary*

ii) Enterprises in which Key Management Personnel & their Relatives having Significant Influence:

Ashika Stock Broking Ltd.

Ashika Capital Ltd.

Puja Sales Promotion Pvt. Ltd.

Shishir Exports Pvt. Ltd.

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

b) Transactions with Related Parties:

Aggregate Related Party Transactions as at and for the year ended on 31st March, 2016 (Transactions have been taken place on arm's length basis.)

(in ₹)

| Particulars | Key Management Personnel | | Enterprises in which Key Management Personnel & their Relatives having significant influence | | Total | |
|---|--------------------------|--------------------------------------|--|--------------------------------------|----------------------------|--------------------------------------|
| | Transaction Value | Balance Outstanding as on 31.03.2016 | Transaction Value | Balance Outstanding as on 31.03.2016 | Transaction Value | Balance Outstanding as on 31.03.2016 |
| Investment in Shares | | | | | | |
| Shishir Exports Pvt. Ltd | - (-) | - (-) | 1,878,300 (-) | 1,878,300 (-) | 1,878,300 (-) | 1,878,300 (-) |
| Loans Granted | | | | | | |
| Ashika Capital Ltd. | - (-) | - (-) | 10,000,000 (-) | - (-) | 10,000,000 (-) | - (-) |
| Shishir Exports Pvt. Ltd. | - (-) | - (-) | 5,000,000 (-) | - (-) | 5,000,000 (-) | - (-) |
| Margin Money Paid | | | | | | |
| Ashika Stock Broking Ltd. | - (-) | - (-) | 8,81,00,000 (22,725,000) | - (200,000) | 881,00,000 (22,725,000) | - (2,00,000) |
| Security Deposits Paid | | | | | | |
| Puja Sales Promotion Pvt. Ltd. | - (-) | - (-) | 60,000 (-) | 60,000 (-) | 60,000 (-) | 60,000 (-) |
| Trade Payable | | | | | | |
| Ashika Stock Broking Ltd | - (-) | - (-) | - (-) | 288,584 (-) | - (-) | 288,584 (-) |
| Interest on Loans Received | | | | | | |
| Ashika Capital Ltd. | - (-) | - (-) | 648,767 (-) | - (-) | 648,767 (-) | - (-) |
| Shishir Exports Pvt. Ltd. | - (-) | - (-) | 220,274 (-) | - (-) | 220,274 (-) | - (-) |
| Brokerage Paid | | | | | | |
| Ashika Stock Broking Ltd. | - (-) | - (-) | 721,488 (591,250) | - (-) | 721,488 (591,250) | - (-) |
| Rent Paid | | | | | | |
| Puja Sales Promotion Pvt. Ltd. | - (-) | - (-) | 50,000 (-) | - (-) | 50,000 (-) | - (-) |
| Salary, Bonus & Other Allowances | | | | | | |
| Pawan Jain | 49,72,182 (15,00,000) | 307,430 (-) | - - | - - | 4,972,182 (1,500,000) | 307,430 (-) |
| Anju Mundhra | 10,24,496 (778,507) | 139,842 (64,842) | - (-) | - (-) | 1,024,496 (778,507) | 139,842 (64,842) |
| Demat Charges Paid | | | | | | |
| Ashika Stock Broking Ltd. | - (-) | - (-) | 1,814 (1,070) | - (-) | 1,814 (1,070) | - (-) |

Financial Statements

Notes to the Financial Statement as at and for the year ended on 31st March, 2016

26. Foreign Currency Transactions: Nil (P.Y. Nil)
27. Schedule in terms of Paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 is annexed hereto separately.
28. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification / disclosure.

SIGNATURE TO NOTES 1 TO 28

As per our report of even date attached

For **P. K. SAH & ASSOCIATES**
Chartered Accountants
Firm Registration No. 322271E

(**P. K. Sah, FCA**)
Partner
Membership No. 056216

Place: Kolkata
Date: 29th May, 2016

For and on behalf of the Board

Pawan Jain
(Managing Director
& Chief Executive Officer)

Anju Mundhra
(Executive Director - Legal
& Company Secretary)

Sagar Jain
(Director)

Amit Jain
(Chief Financial Officer)

Schedule to the Balance Sheet of Non-Deposit Taking Non-Banking Financial Company

(as required in terms of paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Demand Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

(₹ in Lakhs)

| Particulars | Amount outstanding | Amount overdue |
|--|---------------------------|----------------|
| Liabilities Side : | | |
| (1) Loans and advances availed by the non-banking financial company inclusive of Interest accrued thereon but not paid : | | |
| (a) Debentures : Secured | - | - |
| Unsecured | - | - |
| (other than falling within the meaning of public deposits) | - | - |
| (b) Deferred Credits | - | - |
| (c) Term Loans | - | - |
| (d) Inter-corporate loans and borrowing | - | - |
| (e) Commercial Paper | - | - |
| (f) Other Loans (specify nature) | - | - |
| Particulars | Amount Outstanding | |
| Assets Side : | | |
| (2) Break-up of Loans and Advance including bills receivables [other than those included in (4) below] | | |
| (a) Secured | 153 | |
| (b) Unsecured | 1,373 | |
| (3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities | | |
| (i) Lease assets including lease rentals under sundry debtors: | | |
| (a) Financial Lease | - | |
| (b) Operating Lease | - | |
| (ii) Stock on hire including hire charges under sundry debtors: | | |
| (a) Assets on hire | - | |
| (b) Repossessed Assets | - | |
| (iii) Other loans counting towards AFC activities | | |
| (a) Loans where assets have been repossessed | - | |
| (b) Loans other than (a) above | - | |
| (4) Break-up of Investments | | |
| Current Investments | | |
| 1. Quoted : | | |
| (i) Shares : (a) Equity | 882 | |
| (b) Preference | - | |
| (ii) Debentures and Bonds | - | |
| (iii) Units of Mutual Funds | - | |
| (iv) Government Securities | - | |
| (v) Others (Please Specify) | - | |
| 2. Unquoted : | | |
| (i) Shares : (a) Equity | - | |
| (b) Preference | - | |
| (ii) Debentures and Bonds | - | |
| (iii) Units of Mutual Funds | - | |
| (iv) Government Securities | - | |
| (v) Others (please specify) | - | |

Financial Statements

(₹ in Lakhs)

| Particulars | | Amount overdue |
|--------------------------------|-----------------------------|-------------------|
| Long Term Investments : | | |
| 1. | Quoted : | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of Mutual Funds | - |
| | (iv) Government Securities | - |
| | (v) Others (please specify) | - |
| 2. | Unquoted : | |
| | (i) Shares : (a) Equity | 19 |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of Mutual Funds | - |
| | (iv) Government Securities | 4 |
| | (v) Others (please specify) | - |

(5) Borrower group-wise classification of assets financed as in (2) and (3) above

| | Category | Amount Net of Provisions | | |
|-----------|-----------------------------------|--------------------------|-----------|-------|
| | | Secured | Unsecured | Total |
| 1. | Related Parties | | | |
| | (a) Subsidiaries | - | - | - |
| | (b) Companies in the same group | - | - | - |
| | (c) Other related parties | - | - | - |
| 2. | Other than related parties | 153 | 528 | 681 |
| | Total | 153 | 528 | 681 |

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

| | Category | Market Value / Break up or fair Value or NAV | Book Value (Net of Provisions) |
|-----------|-----------------------------------|--|-----------------------------------|
| 1. | Related Parties | | |
| | (a) Subsidiaries | - | - |
| | (b) Companies in the same group | - | - |
| | (c) Other related parties | 19 | 19 |
| 2. | Other than related parties | 886 | 886 |
| | Total | 905 | 905 |

| (7) | Other Information | Particulars | Amount |
|-----|--|-------------|--------|
| | | | |
| | (i) Gross Non-Performing Assets | | |
| | (a) Related Parties | | - |
| | (b) Other than related parties | | 845 |
| | (ii) Net Non-Performing Assets | | |
| | (a) Related Parties | | - |
| | (b) Other than related parties | | 31 |
| | (iii) Assets acquired in satisfaction of debt | | - |

As per our report of even date attached

For **P. K. SAH & ASSOCIATES**
Chartered Accountants
Firm Registration No. 322271E

For and on behalf of the Board

(P. K. Sah, FCA)
Partner
Membership No. 056216
Place: Kolkata
Date: 29th May, 2016

Pawan Jain
(Managing Director & Chief Executive Officer)

Sagar Jain
(Director)

Anju Mundhra
(Executive Director - Legal & Company Secretary) **Amit Jain**
(Chief Financial Officer)





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